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NEWS SUMMARY

GENERAL

Building society squeeze eases

The squeeze on building society lending has eased considerably since the beginning of the year.

At the half year, the societies had promised to lend mortgage applicants £74m more than at the same stage last year.

But inflation in house prices means that this level of lending will finance the purchase of 43,000 fewer homes. Back Page

Schmidt support

At the end of French President Giscard d'Estaing's first state visit to West Germany, Chancellor Helmut Schmidt welcomed France's decision to modernise its independent nuclear force. Back Page

Powell warning

Only major movements of population could avert "a fatal eruption" of racial strife, Mr. Enoch Powell told a Monday Club meeting in Dorking. Page 3

Thatcher booed

Demonstrators jeered both the Prime Minister and Industry Secretary Sir Keith Joseph at separate public appearances in London and North East England. Page 4

Gun victim dies

Gail Kinchin, 16, who was hit by four police bullets on June 12 when a siege gunman used her as a shield, has died in East Birmingham Hospital.

Ayatollah warns

Iran's leader Ayatollah Khomeini has warned the clergy to limit its interference in politics. Meanwhile, freed U.S. hostage Richard Queen, 28, was flown into Zurich, where he had medical tests. Page 2

S. Africa clashes

South African police were involved in sporadic clashes with black schoolchildren who are continuing a classroom boycott against unequal education.

No charges

Attorney General Sir Michael Havers is not to prosecute the BBC over a Panorama interview with a member of the terrorist group which claimed to have killed Mr. Airey Neave.

Rolls replies

Rolls-Royce chairman Sir Frank McFadzean will next week appear before the Commons public accounts committee, where he will be able to reply to Labour MP Jeff Rooker's allegations of bribery by the company.

Pope ends visit

Pope John Paul ended his 12-day, 18,500-mile tour of Brazil with a cruise down the Amazon.

HMS Invincible

HMS Invincible, the Royal Navy's £175m, 20,000-ton anti-submarine aircraft carrier, was commissioned at Portsmouth. The Queen and Prince Philip attended.

Third Test

The West Indies were 213 for 7 on the second day of the third Test at Old Trafford, in reply to England's first innings total of 150 all out.

Briefly . . .

Two-man crew of RAF Phantom killed in crash near Osnabrueck, North Germany.

Security guard was shot and wounded as he foiled an armed hold-up gang in central London.

Weekend jazz festival scheduled for London's Alexandra Palace was cancelled following fire. Page 4

BUSINESS

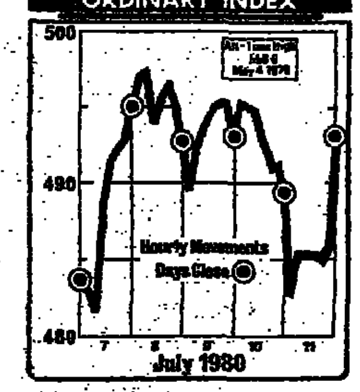
Gold up $9; Sterling firmer

● STERLING was slightly firmer overall in extremely quiet trading. It closed 25 points up at $2.3780. Its trade-weighted index rose to 74.5 (74.4).

● DOLLAR showed little change overall, finishing at DM 1.7375 (DM 1.7380). Its trade-weighted index was unchanged at 82.8.

● GOLD rose $9 an ounce to close at $669.5.

● EQUITIES generally settled with modest gains on the day. The FT 30-share index closed 3.6 up at 493.0, for a rise of 9.2 on the week.



● GILTS had a quiet session. The Government Securities index closed at 70.73, just 0.02 up.

● WALL STREET was up 2.39 to 888.31 near the close.

● CITIBANK cut its prime rate by a quarter of a percentage point to 11.25 per cent. Page 2

● BNOC's bid to explore for oil and gas in Irish waters has been blocked because of a boundary dispute between the British and Irish Governments. Back Page

● UNIGATE and Associated British Foods plan to join the search for North Sea oil and gas. The companies have formed a consortium with the U.S.-based Texaco group. Back Page

● BANK OF AMERICA is negotiating to buy the controlling interest in Rhobank, Zimbabwe's third largest bank. Back Page

● POST OFFICE has warned British Rail that if it does not improve mail train reliability it will divert more business to air and road transport. Page 3

● TEXTILE workers in Huddersfield, where over 1,500 have lost their jobs this year, were told there was no hope of Government aid for their industry. Page 4

● INDONESIA may retaliate against Britain's restriction on imports of its textiles, Minister of Industry Soehoed said. Page 3

● ICI, hit by white-collar staff industrial action for the first time, claimed production had been "totally unaffected." ASTMS, one of the unions involved, said some 10,000 had taken part. Page 4

● COMMERCIAL VEHICLE registrations for June were 23.87 per cent down on the same month last year. Page 3

● ITALIAN telephone group STET, the industry holding company controlled by the IRI state conglomerate, has decided not to pay a dividend for 1979. Page 21

● KUWAIT Investment Office bought more than 8 per cent of the low-voting 'A' shares in the Savoy Hotel Group in a deal worth about £3m. Page 18

● THORN EMI, the electronics, lighting and engineering group, raised taxable profit from £118.1m to £125.5m for the year to March 31, 1980. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 12½pc 1993	£95½	+ ½
Assd. Fisheries	76	+ 3
Bowater	190	+ 7
Brown (J.)	55½	+ 3
Dunlop	85	+ 3
Farnell Elec.	324	+ 6
Hampton Trust	59	+ 21½
Lonrho	137	+ 5
Mackinnon of Sctlnd	47½	+ 22
Muirhead	116	+ 18
Tebbitt	38	+ 4
Thorn EMI	314	+ 10
Whessoe	67	+ 5
Wimpey	87	+ 4½
Double Eagle	173	+ 53
Warrior	163	+ 28
Anglo-Amer. Gold	£40	+ 1
Haoma Gold	196	+ 6
Minorco	344	+ 14
Nth. West Mining	166	+ 12
Strata Oil	126	+ 11
Tanks	340	+ 10

FALLS

Anchor Chemical	64	− 6
Aurora	46	− 6
Bulmer (H. P.)	186	− 6
Sothebys	458	− 43
BP	348	− 4
Candecca	184	− 14
Sovereign Oil	253	− 12
Tricentrol	358	− 6
Ultramar	344	− 12
Leichardt Explor.	190	− 20
Mount Carrington	52	− 6
Otter	88	− 4
Poseidon	210	− 6

Think Tank studies expansion of UK space technology

BY GUY DE JONQUIERES

The Government has ordered a far-reaching review of the opportunities for expanding British industry's activities in the fields of satellite communications and space technology.

The review is expected to form the basis for decisions by Ministers later this year on a strategy to ensure that Britain plays a full part in the increasingly fierce international competition to exploit the commercial potential of space programmes.

Mr. Michael Marshall, Under-Secretary for Industry, told the Commons yesterday that developments in telecommunications, information technology and broadcasting were opening up exciting new possibilities for the use of satellites.

Britain was already a world leader in some fields of space technology, he said. "We wish to examine the national and international opportunities which exist and which policies we should formulate to give British industry the maximum opportunity to exploit them."

The Government wanted to ensure that market mechanisms were effective in encouraging UK information industries to be innovative at home and competitive abroad.

But Mr. Marshall warned against expectations of a massive increase in public spending on space programmes, saying the Government did not have a "bottomless purse" out of which to support industry's efforts.

The review, to be carried out by the Central Policy Review Staff—the "Think Tank"—will focus on ways of improving the co-ordination of Government policies and support for space technology and satellites.

The bulk of present Government spending on satellites is channelled through the Department of Industry, which spent £37m last year. A further £13m was spent on space projects by the Science Research Council.

Britain is mainly involved in work on satellites through the 11-member European Space Agency, in which it has a 12 per cent share. Its contribution last year was £40m and UK companies, notably British Aerospace, have been awarded substantial contract work for ESA programmes.

A number of UK companies have also participated in U.S. space programmes, notably the Spacelab project. As well as British Aerospace, they include Marconi, Avica, Ferranti and Simon.

A major impetus to the use of satellites is expected from the development of "direct broadcasting." This enables television transmissions to be bounced off a satellite and beamed back to earth, where they can be received via inexpensive rooftop antennae.

The ESA is planning to produce its first direct broadcasting satellite in 1984, and the UK is financing 30 per cent of the programme's cost. British Aerospace has been named as lead contractor.

But France and Germany have been accused of weakening the ESA's cohesion by embarking jointly on a separate, similar, project. Critics argue that by not participating in the ESA programme, they may impair its technical development.

Switzerland and Luxembourg are also planning direct broadcasting satellites, which will beam programmes well beyond their national boundaries.

Satellites are also playing an increasing role in telecommunications. They have been exploited most widely in the U.S. so far, and some experts fear that unless Europe enters this field more aggressively it will have to rely on services provided by American companies.

The fastest growth is in business communications. Both Xerox and International Business Machines are investing heavily in sophisticated systems using satellites to transmit speech, data and television pictures.

Volvo signs £255m deal with Chinese province

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

VOLVO, THE Swedish car and truck group, has concluded a SKr 2.5bn (£255m) barter deal. It will sell trucks, cars and construction machines to the Chinese province of Canton in return marketing Cantonese textiles, machine tools and other machinery abroad.

The deal is said to be one of the first fruits of China's trading policy. It's provinces are allowed to import foreign industrial goods so they can generate necessary foreign currency.

The deal, arranged in May by Volvo International Development Corporation, involves two trading houses, one in Hong Kong and one in Britain, which the company does not wish to name.

The agreement means Volvo can sell Canton products up to a value of SKr 500m a year for five years, once its trading house partners have succeeded in marketing Cantonese goods abroad. Main markets for Cantonese goods are expected to be the Middle East and Africa.

Mr. Bertil Bengtsson, Volvo International managing director, said in Gothenburg that the Chinese deal had great potential. He said its success depended on Volvo being able to find markets for SKr 500m—worth of Cantonese goods a year.

Volvo International is a special unit set up at the group's Gothenburg headquarters to develop sales outside Europe and North and South America. It evaluates markets in developing countries, including the possibilities of local assembly or manufacture of Volvo trucks and cars.

Recently, Volvo International brought home a SKr 500m order for 1,600 Volvo trucks to Iraq over two years. It was also instrumental in selling 1,000 Volo trucks to China in 1978.

De Beers broke disclosure law

BY CHRISTINE MOIR

THE DISCLOSURE provisions of UK company law were breached by De Beers Consolidated Mines in its secret build up of a 14 per cent stake in Consolidated Gold Fields late last year.

Yesterday the South African mining group handed the board of Gold Fields a letter. It admitted that one of its associates, Brent, a Luxembourg-registered company, owned more than 5 per cent of the UK concern between November 20 and December 19.

Gold Fields immediately handed the letter to the Stock Exchange, which is "considering the implications."

Later De Beers said the facts had only recently come to light. The company and its advisers "took considerable care" to keep within provisions of the 1976 Companies Act. This requires holders of more than 5 per cent of a company to disclose their identity.

In order to build up a significant holding without having to reveal itself, De Beers used several separate companies, including Central Selling Organisation Pty, De Beers Holdings Pty, and Brent.

Each of these acquired parcels of shares over a period. These were intended to amount individually to less than 5 per cent.

Recent internal inquiries, however, revealed that for a four-week period shares bought in the name of Brent amounted to more than 5 per cent. De Beers said the mistake "had not been knowingly made" and was immediately admitted once discovered.

The revelations will add more fuel to the controversy which has surrounded De Beer's build-up of its initial stake and the "dawn raid" carried out on February 12 by Rowe and Pitman, stockbrokers, when it bought another 11 per cent in the market in less than half an hour.

On Thursday, the Stock Exchange published its highly detailed report of the affair. It called for changes in the law which permits parties acting in concert, like the De Beers' associates, to avoid the disclosure provisions.

The committee which conducted the Stock Exchange inquiry did not seek to establish whether the existing disclosure laws had been complied with. It was assured by Rowe and Pitman that care had been taken not to breach the law.

Stock Exchange officials who studied the share registers of Gold Fields in January also failed to see the build up of a disclosable stake because Akroyd and Smithers, as jobbers, Rowe and Pitman and Davis Borkum Hare, De Beers' South African brokers, had arranged that the purchases should be done on blank forms which were then not registered until February.

As a result the Stock Exchange did not investigate the unusual share movements evident in the register although, as the committee says, "with hindsight" such an investigation would have disclosed the identity of the buyers.

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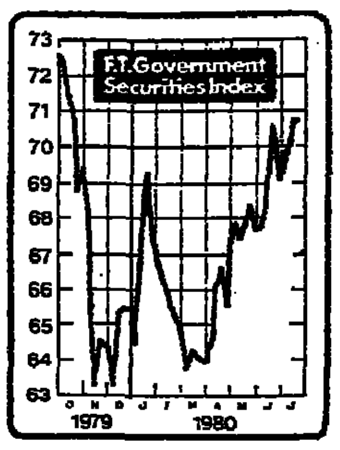
For latest Share Index 'phone 01-246 8026



£400m tap for high taxpayers

BY DAVID MARSH

THE BANK of England yesterday launched a new £400m low coupon tap stock to take advantage of the present spate of demand on the Government bond market.

Helped by the Chancellor of the Exchequer's statement on Thursday sticking to his forecast of 16.5 per cent inflation by the end of the year, gilt-edged prices continued firm yesterday. The FT Government securities index returned to Wednesday's level, taking it up again to its highest since October last year.

Rises of £⅛ to ¼ in medium and long-dated stocks were accompanied by further signs of downward pressure on short-term interest rates. The average rate of discount at yesterday's Treasury bill tender fell to 14.49 per cent from 14.74 per cent last week. This indicates that the City is expecting a further fall of perhaps 1 per cent in Minimum Lending Rate over the next month or so from the 16 per cent to which it was lowered last week.

The new tap stock—3 per cent Exchequer 1983 "A"—is specially designed for high income tax payers. It will go on sale by tender next week at a minimum price of £83.25 per cent.

Major unions in 'Grain' row facing ban

BY JOHN LLOYD, LABOUR CORRESPONDENT

TWO MAJOR unions—the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union—could face suspension from the TUC if they refuse to accept fresh proposals aimed at settling the inter-union dispute at the Isle of Grain power station construction site.

An all-night meeting on Tuesday of members of the TUC's powerful finance and general purposes committee ended with a call on the other craft unions to withdraw their members, believed to number around 60, who have replaced the 27 General and Municipal Workers Union thermal insulation engineers, or laggers, at the Isle of Grain after the latter's suspension, and to agree to the re-employment of the GMWU laggers.

Mr. Frank Earl, the GMWU national officer with responsibility for construction, said yesterday that if the craft unions did not withdraw them, the TUC's Rule 13, which allows suspension of a union disobeying a TUC directive, would be invoked.

The TUC later appeared to play down the threat of suspension, saying that the proposals still had to be ratified by the general council.

However, the ultimatum was clearly responsible for the vote of a delegate meeting of thermal insulation engineers, or laggers, to call off their strike action at Central Electricity Generating Board power stations and construction sites, called for Monday.

Mr. Earl, speaking after the delegate meeting, said that a number of unions, including the Transport and General Workers Union and the staff union ASTMS, had already accepted the TUC line. The unions which may decide to display the directive are the engineering and construction sections of the Amalgamated Union of Engineering Workers, and the Electrical and Plumbing Trades Union, with a joint membership of around 1.6m.

These unions, especially the AUEW's construction section, whose general secretary is Mr. John Baldwin, have opposed similar attempts to reach agreement on Grain. Mr. Baldwin is understood to have written to other unions to express his opposition to moving the replacement laggers from their jobs to make way for the return of the GMWU.

Further, the compromise formula which the TUC has been discussing with the CEGB for the past few weeks has not been accepted by the Board. The TUC has proposed that the laggers return to work, under the terms of the thermal insulation national agreement, for a thermal insulation contractor, while the Board has insisted that the laggers work for a mechanical contractor.

However, it was pointed out yesterday that the GMWU has been prepared to make large concessions, including an undertaking that the laggers will seek to "harmonise" their earnings with those of other craft unions on the site. The high bonuses previously earned by the laggers were a cause of the original dispute.

Senior trade union leaders who have been attempting to find a solution to the impasse last night took a much softer line on possible suspension of unions, pointing out that their proposals still had to be ratified by the full session of the F and GP, which meets on July 21, and then by the general council.

National buys £2.3m Rubens

BY PAMELA JUDGE

A RECORD auction price for a Rubens painting was paid in London yesterday when the National Gallery bought his masterpiece, Samson and Delilah, for £2.3m at Christie's.

A further £230,000 will be paid to Christie's by the gallery in commission. The bidding at the auction house's Great Rooms in St James's started yesterday morning at £500,000, and went up rapidly.

The painting was bought on behalf of the gallery by the art dealer, Sir Geoffrey Agnew on his 72nd birthday. The seller was an anonymous Hamburg family.

The auction rooms were so crowded, that some bidders had to be linked by television and telephone. Afterwards, Sir Geoffrey said he had no idea of the identity of the underbidder who telephoned his bids from the next door room.

He said: "It was more or less the price I expected to pay. It is a superb buy for the National Gallery."

It is the third highest price for a painting at auction—Sotheby's sold a Turner in May for £2.6m—and Christie's a Velasquez in 1970 for £2.31m.

The painting, Page 14

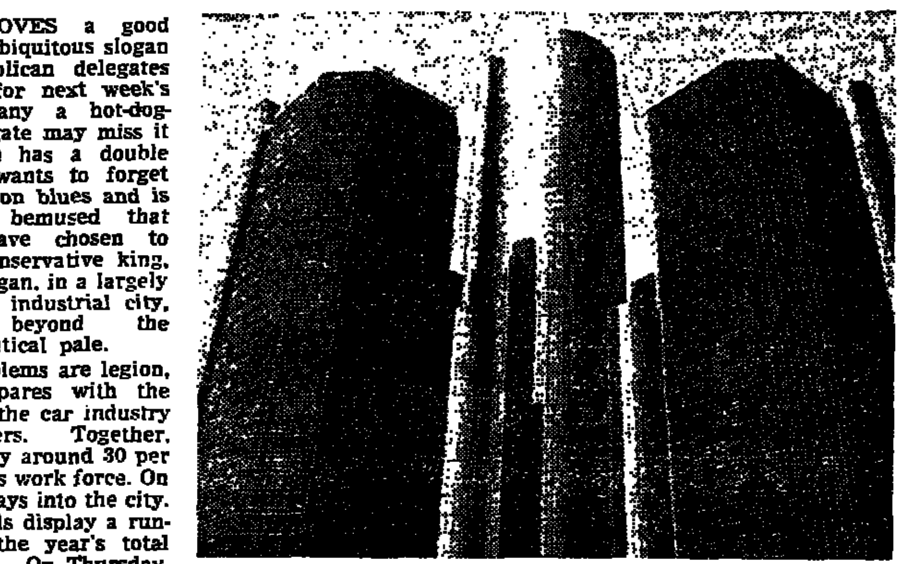
OVERSEAS NEWS

David Buchan reports on the convention city the Republicans have chosen and the party's election platform

Depressed, crime-ridden Motown shakes off its blues

"DETROIT LOVES a good party" is the ubiquitous slogan greeting Republican delegates streaming in for next week's convention. Many a hot-dog-chomping delegate may miss it but the slogan has a double edge. Detroit wants to forget its car depression blues and is flattered and bemused that Republicans have chosen to crown their conservative king, Mr. Ronald Reagan, in a largely black, northern industrial city, traditionally beyond the Republican political pale.

Detroit's problems are legion, but none compares with the deep slump in the car industry and its suppliers. Together, they still employ around 30 per cent of the city's work force. On the main highways into the city, electronic boards display a running total of the year's total U.S. car output. On Thursday, they showed a new car every six seconds. That is snail's pace for Motown.



Detroit's new $337m waterfront development, the Renaissance Centre.

Two more figures complete the picture. Unemployment in Detroit has been a bit higher than the national average in recent years. But it has now hit 18 per cent or more than double the level in the rest of the country. It is much worse for minorities and blacks who have entered the work force last, and by common practice get laid off first. The city lost 43,000 blue-collar jobs from 1970-77. That could be doubled at a blow if Chrysler, the biggest private employer inside the city limits with 37,000 people, goes under. The success of the new Government loan guarantees depends on the gamble of the new small K cars which Chrysler will start churning out from its Jefferson Avenue plant at the end of this month.

Detroit shows all modern America's urban ills. Richer whites have fled to the suburbs and left the young, old, poor and minorities behind. The poorer pockets of the city are pockmarked with boarded-up houses, interspersed with vacants lots sprouting wild cornflowers.

But the new car slump has tightened the squeeze on city finances. This is not so much because of less tax directly from the car companies; Chrysler has not made a profit to tax for years, but still pays property tax on its 12 plants inside the city. It is the loss of revenue from the unemployed who have no salary to tax and buy fewer goods on which the city can levy sales tax.

Mayor Coleman Young, a black Democrat, has just been forced by arbitrators to pay an extra $50m to police and firemen against his will. Mr. Walter Stecher, the city's budget director now says that the 1980-81 deficit could rise to $120m from $70m in the last year. Detroit cannot cover this by borrowing and Michigan law will not permit the city to raise taxes any higher. "So we'll have to cut back more on services," Mr. Stecher says.

Ironically, the next lay-offs in September will be among police and firemen, which under the practice of "last-in-first-out" will reduce the ratio of blacks in those services.

The complex effort to revive Detroit is primarily the work of two remarkable men, who have joined hands. They are Mr. Henry Ford, the white capitalist *par excellence*, and Mr. Young, a black trades unionist turned politician. It was Mr. Ford's initiative in 1971 to start building the downtown Renaissance Centre, a towering complex of offices, hotels and shops that faces Canada across the Detroit River. Mr. Ford bludgeoned fellow capitalists into following suit, and the concrete has not stopped pouring since. Some $637m, overwhelmingly from the private sector, has been invested in city property in the past five years. For his part, Mr. Young, when he took office in 1974, promised to provide a stabler social base to the city, warned "criminals, muggers and rip-off artists to hit the road" and pledged to work with the white business community and to use what city, state and federal monies he could lay his hands on to speed redevelopment.

This division of labour suits both sides. White business wants to keep the city alive as a base. The car companies do not want to lose the city's pool of engineers and semi-skilled labour, nor do Detroit-based companies such as Bendix and Burroughs. Banks and utilities could not easily move. White business is "happier than Hell" with Mayor Young, a prominent city planner says.

The mayor has certainly played his game well. In a series of stormy reports, he has put the once-notorious Detroit police force under a civilian board, increased the hiring of black policemen and set an arbitrary ruling that every time a white officer is promoted a black must be too. He has even got policemen to walk their beats, which is almost unheard of in the U.S.

In short, he has managed to crack down on crime without provoking the kind of backlash from blacks as was seen in Miami recently. All is by no means well. There was a recent scandal about white policemen using electric cattle prods on black suspects. But the murder rate dropped to 416 last year, from 714 in 1974, the year, incidentally, in which Lord Snowdon was arrested and held briefly by Detroit police while following his profession as photographer.

Less crime makes the city more attractive to outsiders. It is also some measure of Detroit's greater self-respect. Mr. Young has done with the police what a white might find hard to do. Similarly, he has kept labour peace at a low cost, at least until now, as perhaps only an ex-United Auto Workers organiser could. In the last settlement, in 1977, he kept wage increases for city workers to an annual 3 per cent, well below the rate of other cities.

Equally pleasing to white businessmen has been Mr. Young's political clout with President Carter's White House. Detroit gets more than its usual share of federal aid, particularly for housing and construction, which has stimulated private investment. Mr. Young earned his influence with President Carter by sticking with him through the dark days when the Administration was desperate to show urban black support against Senator Edward Kennedy. The mayor is on the best of terms with Mr. William Milliken, Michigan's Republican Governor. The gossip is that Mr. Young actually prefers a Republican Governor because that way the mayor can deal directly with a Democratic White House.

Mr. Young has strong critics from the Left who claim he is letting the private sector ride roughshod over the city. The most eloquent is Mr. Ken Cockrel, a black city council man and one of the very few American politicians to bill himself a Marxist Socialist. He admits that Detroit must rebuild its downtown area as "a watering hole for business types," but charges the mayor with giving millions of dollars away in tax breaks to get companies to do something they would do anyway.

As *Motown's Marxist*, Mr. Cockrel believes the city should have a greater say in the decisions of car companies that affect it. Taking a leaf out of the book of Mr. Doug Fraser, the UAW President now on the Chrysler board, Mr. Cockrel is pushing for a city representative on the Chrysler board if the company wants Detroit's endorsement of a $17m Government loan. "Material conditions would suggest that the time is ripe for an advance by the Left, but I'm not sure the Left is up to the task," Cockrel says. But he has grudging admiration for Mayor Young's performance. "This may be regional chauvinism, but for all my differences with Coleman Young, I still think he is better than most mayors around the country," he says.

The Detroit black vote may one day split, but Mr. Young should still win a third term next year. The city's blacks are eager to maintain the political control and social ease which their numbers give them. Secure in this, Mr. Young is happy to give white business its head.

'Hawkish' Reagan policies win approval

MR. RONALD REAGAN has won speedy approval by Republican delegates of a defence and foreign policy platform that is hawkish, but generally avoids a far-right stand which might be damaging to his election chances. It is expected to be blessed without serious demur by the full party convention next Tuesday.

Mr. Richard Allen, his chief foreign policy adviser, described as "a fine piece of work" the platform that calls for rejection of the Salt II arms treaty with Moscow, much greater defence spending, a permanent fleet in the Indian Ocean, and criminal penalties for disclosing U.S. intelligence agents and sources.

Unlike domestic policy where moderate Republicans put up a strong but losing fight on women's rights and abortion, the contest in the area of foreign affairs was between the Reagan right and the far right, as represented by Senator Jesse Helms, who had urged that full diplomatic relations be re-established with Taiwan.

But Reagan advisers squashed such attempts, stressing their candidate did not want to "turn the clock back." The agreed platform also accepts the 1978 Panama Canal Treaties, which Mr. Reagan had railed against, though it warns Panama to live up to commitments in supervising the canal jointly with the U.S.

The platform delegates did the bidding of Conservative Senator John Tower, chairman of the platform committee, who told them at the outset that "in no area is it more essential to be in lock-step with our Presidential candidate" than in foreign affairs.

"The wrong perceptions of our candidate abroad could set up vibrations in this country which would adversely affect the election campaign," Senator Tower warned. An extremist foreign policy platform would allow Mr. Carter to paint his Republican rival as a dangerous reactionary, the Reagan advisers feared.

Amid some controversy, the platform committee eventually went on record against the nuclear fuel shipments to India which Mr. Carter has proposed. Opponents of the move considered that this would be overtaken by Congressional action this month on fuel sales.

Reflected also in the platform is the neurosis of Reagan Republicans about "Marxist" advances in Central America, following the Nicaraguan revolution. About the only area of agreement with the Carter Administration was the Middle East where Republicans support the Camp David peace settlement.

A Republican Administration would co-operate better with NATO allies, according to the platform, though it does expect each of the allies to bear a fair share of the common defence effort, and to work closely together in support of common alliance goals.

In the domestic section of the party platform, which is not binding on the Presidential candidates, minority problems are mentioned. But "our fundamental answer to the economic problems of black Americans, is the same answer we make to all Americans — full employment without inflation through economic growth."

Italian industry shows sharp production drop

BY RUPERT CORNWELL IN ROME

THE FIRST concrete evidence has surfaced that Italy is on the brink of what looks to be a sharp and painful economic slowdown. Provisional figures released yesterday indicate that industrial production in May, corrected for seasonal factors, dropped by about 10 per cent from the April level, which showed the highest growth in output since late 1978.

The unadjusted figures issued by ISTAT, the national statistics institute show that production in May was 5.4 per cent higher than in the same month of 1978. But the disparity is more than accounted for by the fact that the May 1979 figures were unnaturally low as a result of widespread strikes in the key engineering and mechanical sectors.

The slowdown in the economy has coincided with increases in bank lending rates following last week's move by the Bank of Italy to impose tighter ceilings on domestic credit expansion over the coming months.

The country's 14 largest commercial banks have announced plans to lift their indicative prime rates to top class borrowers to 21.5 per cent, from the last fixed official level of 19.5 per cent. This move is expected to be followed shortly by other Italian banks, although considerable disparities exist between actual lending rates charged.

These pointers that the economy may be running out of steam have reinforced opposition in the Communist Party and among union militants to the deflationary package announced last week by the Government.

Measures aimed at reducing consumer demand by L4,000bn (£2bn), include imposing a special 0.5 per cent tax on salaries to finance a solidarity fund for the south and troubled companies.

This provision seems certain to attract fire during an examination by parliament over the summer.

Air traffic control move

STRASBOURG—The European Parliament yesterday urged Common Market states to pool their air traffic control systems to save money and improve safety. It approved a resolution from Mr. James Janssen Van Raay, Dutch Christian Democrat, calling for an extension of the system which regulates air traffic over Belgium, Luxembourg and West Germany.

Present air controls mean that aircraft flying from Frankfurt to Amsterdam had to travel considerably further than the actual surface distance between the two cities and a flight from Copenhagen to Paris had to pass through four different air control centres, he said.

Lack of cooperation between West European states caused delays, diversions and increase workload for crews and controllers, Mr. Janssen Van Raay said.
Reuter

Troops raid Turkish 'rebel' town

By Metin Munir in Ankara

TURKISH TROOPS moved into the small Black Sea port of Fatsa before dawn yesterday morning to break up what Mr. Suleyman Demirel's right-wing Government claims was an extreme Left-wing commune established by armed militants defying state authority.

In Ankara Mr. Bulent Ecevit, the main opposition leader, claimed that the Government ordered the campaign to divert attention from the political-sectarian riots in the town of Corum last Friday in which at least 24 people were killed.

Mr. Ecevit, a Social Democrat, accused Mr. Demirel of "co-operating with right wing terrorists," and maintained that Turkey was "faced with the threat of a civil war."

The troops, who used loud-speakers on minarets to urge Fatsa's 20,000 population to be obedient, encountered no resistance.

A curfew was declared at daybreak and a house-to-house search was carried out, assisted by masked members of the Turkish police anti-terrorist squad. More than 300 people—including five wanted terrorists—were taken into custody and a small cache of arms was discovered, according to agency reports.

"We have brought the state to Fatsa and along with it the peace that the people of Fatsa were thirsting for," said Mr. Resat Akkaya, governor of the region.

Fatsa—600 kilometres north-east of Ankara—was reported by the Turkish press to be one of several "liberated zones" which sprang up in Turkey with the deterioration of law and order. These zones, existing in cities as well as the countryside, are places where armed left or ring-wing militants rule and security forces cannot enter.

Mr. Fikri Sonmez, Fatsa's elected mayor who is a tailor by profession, was arrested together with other prominent citizens. Mr. Sonmez is charged with usurping state authority by establishing a commune led by elected committees to run the town.

He is alleged to be loyal to Dev Yol (Revolutionary Way) a powerful, extreme Left wing underground organisation.

Ayatollah warns mullahs on polital meddling

Hostage release lifts U.S. hopes

BY OUR FOREIGN STAFF

MR. RICHARD QUEEN, the U.S. hostage in Tehran suddenly released on the personal order of Ayatollah Khomeini, arrived in Zurich yesterday on a Swissair flight from Iran. He was immediately taken to hospital for tests although there was nothing in his appearance or brief comments to throw light on the mental condition which was the declared reason for his release.

Mr. Queen, aged 28 and a vice-consul at the embassy, had spent the previous three days in a Tehran hospital. He told reporters before boarding the aircraft that he was very happy. He did not know precisely what was wrong with him; "It's something with the brain, some sort of virus," he said.

The circumstances of his release have prompted speculation by U.S. officials that it might be a gesture by Iran which could lead to the release of the other hostages who have been detained since November 4 last year.

There are now 49 held by the the militant students either at the Tehran embassy or, in some cases following the abortive rescue mission, in other Iranian cities. Another three are at the Foreign Ministry where they sought asylum when the embassy was seized.

President Carter's immediate reaction has been cautiously welcoming. He said he was very thankful but obviously the proper thing was that all the hostages should be released. A week ago Mr. Carter announced new attempts at diplomatic contacts with Iran.

The official Iranian position, as declared by Ayatollah Khomeini, is that it is up to parliament to decide the fate of the hostages—but the recently-elected body has yet to start functioning properly.

Ayatollah Mousavi Ardebili, the prosecutor-general, repeated this yesterday, saying the release does not mean a change in policy towards the U.S. and the hostages.

A spokesman for the militant students, who have not explained why they acquiesced so silently to Mr. Queen's release, described as "absolute rubbish" reports that more hostages needed medical care.

Ayatollah Khomeini yesterday showed his awareness of a growing trend of anti-clericalism in Iran by warning the Moslem clergy to limit their interference in politics.

The surprise announcement, in contradiction to earlier statements, will be interpreted as a gesture of support for President Abolhassan Bani-Sadr in his political struggle with the hard-line Moslems of the Islamic Republican Party led by Ayatollah Beheshti.

The Iranian revolutionary leader made his remarks in comments about Thursday's revelations that a military coup by supporters of the former premier, Mr. Shahpour Bakhtiar had been crushed. He said he was not worried by aircraft bombing raids (which were part of the plot), but by the division developing between the clergy and the people.

Such comments are a further example of the curious position held by Ayatollah Khomeini in Iran. Previous remarks—backing an Islamic cultural revolution and condemning all types of left-wing political groups—have unwittingly or otherwise, steadily chipped away at the authority of President Bani-Sadr.

Yesterday he said that for 300 years mullahs in Iran had been told to keep out of politics—they should not overreact now by devoting themselves exclusively to it.

The way is now open for President Bani-Sadr to take advantage of the Ayatollah's sentiments, perhaps by going to him and seeking explicit backing.

Released hostage Richard Queen is carried on a stretcher from the aircraft at Zurich airport.

Draft constitution 'displeases' Pinochet

BY MARY HELEN SPOONER IN SANTIAGO

GENERAL Augusto Pinochet has declared that Chile's future constitution will be submitted to a "free, secret and informed plebiscite," but indicated that the proposals presented to the Chilean public may not necessarily be the draft delivered to his office this week.

"It will be the junta which will present the definitive constitutional project to the country," he told a pro-Government youth group at Diego Portales.

According to observers, Gen. Pinochet is displeased with the proposed constitution drawn up by a Government-appointed council. The draft provides for a five-year transition period during which no elections would be held and all members of Chile's legislature would be appointed by the Government.

Chile's "new institutional order" would be developed gradually to avoid disruptions, the General said.d

"It should be pointed out that the Communists and Soviet Marxists do not consider September 11 (the date of the 1973 coup) to be a defeat, but rather a tactical error which should be overcome."

He warned his audience that Marxism had infiltrated many traditional democracies, but Chile would "opt for freedom."

Polish strikers return to work after prices pledge

BY CHRISTOPHER BOBINSKI IN WARSAW

STRIKING Polish workers at Warsaw's Rosa Luxemburg electrical works went back to work yesterday after a 24-hour stoppage on receiving management pledges of wage increases and a return to lower production norms. But the stoppage at the FSO Zeran car works in Warsaw continued, with strikers demanding wage increases and a withdrawal of meat price rises introduced by the authorities last week.

Shop floor discontent at the meat price rises has focussed on the engineering industry, where the price move came together with unpopular changes in productivity agreements. Reports reached Warsaw yesterday of protests in two engineering plants in the Lublin region in eastern Poland.

The official Press has not mentioned the industrial protests which started last week but the authorities are viewing the situation with concern. Mr. M. Szczepanski, head of the broadcast media, went on television on Thursday evening to appeal to the people to be patient. He said that wage increases could be justified only by rises in productivity.

Meanwhile the dissident social self defence committee KOR, which has been the main source of reports of working class protests, met yesterday to prepare a call for the introduction of meat rationing and the abolition of state censorship.

Citibank lowers prime to $11\frac{1}{4}$%

By Stewart Fleming in New York

CITIBANK, the second largest U.S. bank, yesterday cut its prime lending rate from $11\frac{1}{2}$ per cent to $11\frac{1}{4}$ per cent in the face of sinking corporate loan demand and weakness in the consumer credit sector.

The move came amid expectations that other major banks would also ease their lending costs to try to stimulate demand and keep their earnings growing.

Several factors account for the weakness of demand for loans. The economy is one: the heavy borrowings major corporations are undertaking in the long-term bond markets as an alternative to bank borrowing another. The continuing competition from the commercial paper market, where companies borrow and lend directly to each other, also affects demand at the banks.

In the paper market, companies have been able for several weeks to borrow at under 9 per cent. It was only last Monday that the prime lending rate at the banks came down to $11\frac{1}{2}$ per cent. As a result commercial paper outstanding has been rising rapidly, in contrast to the decline in commercial and industrial bank loans.

Kampuchea fighting

KAMPUCHEAN guerrilla groups opposed to Phnom Penh's Vietnam-backed government fought yesterday on Thailand's eastern border and at least 85 people were seriously wounded, according to relief agency officials.

The fighting between guerrillas loyal to Phnom Penh's ousted Khmer Rouge regime and supporters of the non-Communist Khmer Serei (Free Khmer) broke out near a shanty town called 007 and sent more than 75,000 people fleeing into Thailand from the area for the second time in three weeks, Reuter reports from Bangkok.

Palestinians die

THREE Palestinian Arabs were killed yesterday when a bomb which they were apparently building blew up at Al Fawar village near Hebron in the occupied West Bank, AP reports from Tel Aviv. It was the second bomb explosion in two days in the West Bank. On Wednesday, an Arab fro Nablus was killed when a bomb went off prematurely.

Japan succession

FORMER AGRICULTURE Minister Mr. Zenko Suzuki yesterday became certain of becoming Japan's Prime Minister in succession to the late Mr. Masayoshi Ohira when two rival contenders dropped out of the race. He will be named as president of the ruling Liberal Democratic Party on Tuesday and formally designated Prime Minister in parliament two days later. Reuter reports from Tokyo.

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Zimbabwe's tobacco production set to fall by 40%

BY OUR SALISBURY CORRESPONDENT

ZIMBABWE yesterday announced a major cutback in Virgina flue-cured tobacco production for the 1980-81 growing season. The crop target for 1981 is to be set at 70m Kgs compared with an estimated 115m Kgs in the current year—a reduction of 40 per cent.

Discussions are under way on a quota system to be established for next season's crops and the Zimbabwe Tobacco Association, which represents the country's 1,750 growers hopes to make a detailed statement within ten days.

The proposed cutback would reduce Zimbabwe's tobacco crop to the lowest level since 1974. The decision follows a very disappointing return by Zimbabwe tobacco to world markets following the lifting of economic sanctions at the end of last year.

The tobacco price has averaged 72 Zimbabwe cents (£0.48) a kg so far this season, but the industry says that discussions designed to stabilise prices this year have been completed, though no details are available.

In a statement the ZIA warned that the cutback in output will place a "severe strain" on those growers who cannot easily turn to other crops. Uneconomical returns in 1980 and controls next season will result in "a loss of growers" and a reduction in employment in the tobacco sector.

Government sources insist that there will be no direct financial support for the industry from government and there is some bewilderment as to the precise nature of the "stabilisation exercise."

In the meantime the price, which has been steadier in the past ten days, averaging more than 65 Zimbabwe cents, fell below 60 cents on the Salisbury auction floors yesterday.

● An agreement giving Zimbabwe an additional £12.5m in West German development aid will be signed next week during an official visit by Herr Rainer Offergeld, the West German Overseas Trade Minister to Zimbabwe, it was announced in Bonn.

Herr Offergeld will pay a three-day visit to the newly-independent African state, where he will have talks with President Banana, Prime Minister Robert Mugabe and other Government leaders.

The aid agreement is to be used to help rebuild the infrastructure in the tribal areas. West Germany pledged aid of £14m earlier this year at the time of the country's independence.

OPEC sells more premium-price oil

BY MARTIN DICKSON, ENERGY CORRESPONDENT

MORE THAN 10 per cent of internationally traded oil is being sold by producer Governments at premiums above their own official selling prices, according to a Shell background briefing paper.

It estimates that such sales by members of the Organisation of Petroleum Exporting Countries have reached 4m b/d. This compares with a total international oil trade of about 35m b/d.

"Sales at these premium prices have noticeably increased the average price of internationally traded oil," the study says.

When there is little leeway between supply and demand, scrambling for oil by consumers or mistaken judgments by producers could "easily lead to a new price explosion and to severe damage to the world economy."

The supply/demand balance could shift either way in the next couple of years. The perception of an imbalance is likely to cause sharp fluctuations upwards or downwards in spot prices.

The study says the seven major international oil companies still have equity access to one quarter of world crude supply, own more than one-third of refining capacity and control an even larger proportion of product sales.

But in the last 10 years their role has diminished, notably in crude oil production. Government share rose from 6 per cent in 1970 to 55 per cent in 1979.

STRUCTURE OF THE OIL INDUSTRY

Ownership of crude	1970	1979
Seven majors	61	25
Other private companies	33	20
Governments	6	55
Product Sales	**1970**	**1979**
Seven majors	50	40
Other private companies	41	42
State marketing co's	9	18

The tight oil market in 1979, after the Iranian revolution, enabled OPEC members to reduce their dependence on the oil majors as buyers. Since then, up to 3m barrels a day of oil has been switched from the larger international companies.

"By the third quarter of 1979, more than one quarter of the crude moving internationally had been transferred from the hands of the internatoinal companies, whose particular skill is to handlea flexible oil trade, and diverted into untried channels."

"Ten years ago the majors handled 60 per cent of non-Communist world oil supplies outside North America, and just before the Iranian upheaval the figure was not much below 50 per cent. Today their share is rather more than 40 per cent, and in the current supply situation there is no guarantee that this will not change further."

This trend has been accompanied by a growth of OPEC Government sales to consumer Governments or companies sponsored by them. Government-to-Government sales rose in the past 18 months by about 3m b/d (including Japanese direct purchases and purchases by state oil companies in importing countries).

The oil majors will have to use three particular strengths to deal with the challenge facing them. These are technical expertise in developing difficult reserves, flexibility in response to changed circumstances, and financial resources to meet the huge capital needs of future energy projects.

CJB to help Brazil build platform

BY MAURICE SAMUELSON

ONE OF the first production platforms for Brazil's Campos Basin offshore oilfields will be built in Brazil with help from CJB, the British engineering group.

The £46m contract has been awarded by Petrobras, the State-owned oil company, to Constructora Mendes Junior, one of the country's leading engineering groups.

CJB Offshore, the leading sub-contractor, refuses to disclose the size of its stake, saying merely that it is "important" and "a significant step in a new and developing market." Other sub-contracts have still to be announced and CJB hopes some of the work will be done in the UK.

The platform is for the Garoupa field, the first in the Campos basin to be developed. It will stand in 115 metres of water and will be designed to handle 85,000 barrels a day.

Under a technical aid scheme, 40 CJB personnel have been working with Petrobras in Brazil for the past three years.

Another major Brazilian oil contract in Britain came to grief 18 months ago when an oil platform jacket, which was being towed to Brazil from a fabricator's yard in Scotland, sank in a storm in the North Sea. A replacement for the jacket, for the Namorado field, is being built in Brazil.

Racial disaster near says Powell

BY PHILIP RAWSTORNE

ONLY "MAJOR movements of population" could now avert racial disaster in Britain, Mr. Enoch Powell said last night.

At a Tory Monday Club meeting in Dorking—while Mr. William Whitelaw, the Home Secretary, was reaffirming in Birmingham the Government's commitment to improving race relations—Mr. Powell warned of a "fatal eruption" of racial strife.

Changes in the population pattern in the last 20 years were almost trivial compared with the changes which could now be foreseen, he said.

A smaller black population than that in prospect would be sufficient to constitute a "dominant political force" in the UK, able to exact from Government and the main parties terms calculated to render its influence still more impregnable.

". . . Nothing short of major movements of population can shift the lines along which we are being carried towards disaster," he declared.

Mr. Whitelaw told Birmingham Community Relations Council, "Black people are part of Britain and part of Britain's future, entitled to the same respect, consideration and treatment as any other citizen."

The new Black Civil Rights Group commented: "Mr. Powell is having a relapse of his old illness, paranoia of black people."

Mr. Patrick Kodikara, convenor of the Afro-Asian-Caribbean convention, formed two weeks ago, said "He is admitting that the vast majority of people have refused to be infected by his sickness."

Prince Charles opens road deck over Menai Bridge

A NEW road deck over the Britannia railway bridge spanning the Menai Straits and a key link in the Holyhead Irish ferry route, was officially opened by the Prince of Wales yesterday.

The 600 yard reinforced concrete deck, built of steel supports above the railway line at an overall cost of £12.3m, will complement the only other road link with the mainland, Thomas Telford's suspension bridge, half a mile away, which has become a serious traffic bottleneck.

The scheme stems from a fire in May, 1970, which seriously damaged the original tubular Britannia bridge, built by Robert Stephenson, son of the railway pioneer, in the 1840s.

Construction of the road deck was begun two and a half years ago by the Fairclough Fairfield Mabey consortium. Husband and Company were the consultant engineers.

Pay deal at IPC

A MASS meeting of the 1,400 journalists who work for the International Publishing Corporation (IPC) voted to accept a 20 per cent pay offer yesterday, ending a dispute over wages which has lasted more than three months and included a six-week lock-out.

Island for sale

THE 160-ACRE Orkney island Eynhallow is being offered for sale. Once inhabited but now only a sanctuary for birds and seals. It is 18 miles from Kirkwall airport.

Government refuses to assure ICL of £150m order

BY IVOR OWEN

THE GOVERNMENT yesterday refused to give an assurance that the order for the Inland Revenue's new PAYE computer system would go to International Computers—Britain's major computer manufacturer.

Guaranteed performance and delivery dates—and a satisfactory price—will determine whether ICL secures the contract in the face of strong competition from U.S. computer manufacturers, particularly IBM, who have been lobbying for the order.

This was emphasised by Mr. Michael Marshall, Under-Secretary for Industry, in the Commons yesterday, when Labour MPs warned that the Government's departure from the single-tender principle could result in the contract, estimated to be worth £150m, going to a foreign firm.

Labour leaders backed the demand that ICL should get the contract for what is planned to be the largest computer system in the UK with 20,000 visual display terminals in 60 district tax offices.

A Commons motion, signed by Mr. Denis Healey, Mr. John Silkin, Mr. Eric Varley, and other members of the Labour Shadow Cabinet, said the order was vital to maintenance of ICL's success in computer technology.

Mr. Ian Wrigglesworth, Labour's Civil Service spokesman, said: "It would be a savage blow to Britain's major computer company were this order to be placed with a foreign firm." Five hundred ICL jobs rested on securing the contract, he said.

Foot urges Labour to show unity

BY PHILIP RAWSTORNE

MR. MICHAEL FOOT, Labour's deputy leader, last night urged the party to set aside its differences and unite against the Tory Government.

"The barbarians are at the gates, and we are arguing, as mediaeval saints were supposed to do, about how many angels might dance on the point of a needle," he told a Labour meeting in Tredegar.

"The immediate priority is that this Government must be exposed and attacked on all fronts. On every count, national and international, they are unfit to govern and it is the determination to remove them at the earliest available opportunity which should unite us now."

Mr. Foot said the party had little time left to show the country that it had an alternative to the "present slide to ruin." Labour's cause would not be helped by any manifesto written solely by the party's national executive. The rights and duties of Labour MPs could not be "tossed aside as if they are trifles," he said.

"When we do win the chance to clear up the wreckage left by this Government, we shall have to speak the language of priorities, more plainly than ever before.

"We shall have to choose, and many of the choices are bound to be intricate and awkward . . . the idea we are going to be able to escape them in the capitalist crisis of the 1980s is an infantile delusion.

"That is one reason why you can't pile every desirable objective into one basket and call it a manifesto. That is not the way to build democracy. It is the way to spread the cynicism which can be democracy's most insidious enemy."

Dr. David Owen, Labour's energy spokesman, said yesterday that the NEC's draft manifesto had been "designed to provoke a row."

Pessimism over prospect of early Ulster accord

PEERS WERE as pessimistic as MPs about the prospect of an early agreement on a new form of devolved government for Ulster when the White Paper on Northern Ireland was debated in the Lords yesterday, writes Ivor Owen.

From all sides the Government was urged to keep alive the latest initiative by Mr. Humphrey Atkins, Northern Ireland Secretary, by including as many Ulster leaders as possible in the next talks.

In a maiden speech from the cross benches Lord Hunt of Tamworth, former Cabinet Secretary, said the Ulster negotiations were similar to a man riding a bicycle—so long as there was some movement disaster could be avoided.

Proposals for an elected Assembly, outlined in the White Paper, might require some amendment after further discussions, he said. But, given the will, they did provide the basis for reconciliation and for devolution.

Lord Moyola, former Ulster Premier, said the White Paper's publication had been almost a "non event." The people of Northern Ireland had shown practically no interest.

He feared Mr. Atkins was trying to achieve the impossible. He said: "I think that would be a total and complete disaster and I beg the Government not to try."

Lord Elton, Under Secretary for Northern Ireland, said the Government did not intend to impose a solution upon a reluctant population.

"But that does not mean that there is not a need—a critical and crucial need—for compromise." He said the low-key response to the White Paper could be a helpful factor.

Indonesia angered by textile quotas

By Rhys David

A BIG trade row has broken out between the UK and Indonesia over the new textile quotas due to be imposed on Britain's behalf next week by the EEC Commission.

The quotas are being imposed unilaterally under the GATT multi-fibre arrangement (MFA) following the refusal of the Indonesians to agree to negotiate effective curbs. But the Indonesian Industry Minister, Mr. Soehoed, yesterday threatened retaliation against Britain. "We should show them that they cannot make fools of us," he said. "They had better remember that many of their products are exported to Indonesia."

The row is over Indonesian exports of three key products—trousers, blouses and shirts. Exports of trousers and blouses this year have exceeded the trigger level laid down in the MFA, at which the EEC is entitled to ask for quotas.

Indonesia exports of trousers rose from nill in 1976 to 355,000 last year, and of blouses, from nil in 1976 to 248,000 last year. The increase in shirts has been from 5,000 in 1976 to 752,000 in 1978; but exports fell last year again to 194,000.

Demands

The EEC, on Britain's behalf, has been offering a quota at roughly last year's level for all three products. But the Indonesians have since put in their own demand. This is for a trouser quota of 2.163m, a blouse quota of 426,000, and a shirt quota of 2.39m.

Under MFA, the EEC is entitled, if no agreement is reached within two months, to impose unilateral quotas; and this procedure will be invoked in the case of trousers and blouses next week. Only Britain, which appears to have been the main targets for the Indonesian textile export drive, is affected by the quota.

The Government was last night playing down the significance of the threat to retaliate pointing out that the door remained open for serious negotiations.

Sales of lorries decline again

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE SHARP decline in demand for commercial vehicles is reflected in statistics for June registrations. They show a 23.87 per cent drop on the corresponding month of last year.

However, registrations for the half-year were only 5.47 per cent down on the corresponding period of 1979 and were roughly in line with the industry's forecast of a 10 per cent fall from last year's record 306,000.

A significant feature of the market this year was that the importers' share continued to increase in spite of the overall drop in sales, a complete reversal of the historic trend.

This reflected the extra price competitiveness of imports, caused by the high value of the pound compared with the other major currenies.

In June this year the importers captured 25.74 per cent of total registrations compared with 23.83 per cent for June, 1979. In the half-year, imports accounted for 24.22 per cent of the market compared with 22.45 per cent.

The Society of Motor Manufacturers and Traders, which compiles the figures, has forecast sales of 275,000 for the full year. In the first six months of 1980 the total reached 148,541, mainly due to a record first-quarter.

The forecast for the full year implies that registrations will be 16 per cent below those of 1979 each month for the rest of 1980.

But the current trend suggests this might be optimistic. Much depends on the level of interest rates. One industry executive commented last night: "We would need another 2 to 3 per cent fall in interest rates to make any difference to sales."

Registrations in June totalled 21,858. This total looks better if compared, not with the record June of last year, but with the 23,300 commercial vehicles sold in June, 1978.

The total for June this year was made up of 5,557 car-derived vans (5,713 in June last year); 9,954 purpose-built vans (12,138); 940 four-wheel-drive vehicles (901); and 5,407 trucks and articulated vehicles (6,959).

Juggernauts will have to fit underride guards

BY OUR INDUSTRIAL STAFF

THE GOVERNMENT intends to make compulsory the fitting of rear underride guards on heavy goods vehicles, said Mr. Norman Fowler, Minister of Transport, yesterday.

This would prevent accidents when other, smaller vehicles run under the rear of a goods vehicle.

Mr. Fowler also said he would soon be bringing in tighter noise limits for new vehicles.

He outlined his plans at the formal opening of the UK truck industry's latest engineering, research and design centre built by ERF.

He said the group would be introducing its new medium-range truck, designated the "M" series, at the UK Motor Show in October

Wage pressure 'will ruin some haulage companies'

THE FAILURE rate among transport companies because of the recession will inevitably accelerate if pressure is put on wages, unions were warned yesterday by the Road Haulage Association.

The association, in a statement to unions before this year's pay claim—likely to be for a basic rate of £100 for top drivers—said that generally there was no cash available.

Ten per cent of road haulage companies have been forced out of business by the downturn in trade compared with last year.

Too many lorries are chasing too little freight traffic and rate cutting—by between 10 per cent and 25 per cent—is rife. Hauliers yesterday claimed to be operating with little or no profit and costs are being recovered "only with difficulty."

Jason Crisp takes the night train to Penzance

'Nobody listens to the Post Office'

ON AN average day the British public posts about 34m letters in 100,000 post boxes, addressed to 22m establishments.

The majority of those letters are posted in the late afternoon, which irks the Post Office for two reasons. First, on very long distances it can be physically impossible to deliver the next day a first-class letter posted late; and this makes its delivery records look even worse than they are. And second, late posting of letters leads to a great surge of sorting in the early evening.

The Post Office runs advertising campaigns to persuade the public to post earlier in the day. But, it admits, nobody listens.

Its big problem is with the 15m letters posted first class. The Post Office aims, but does not succeed, at delivering 90 per cent of them the next day.

About 1,000 post offices around the country make up mail bags, after sorting, to be sent to each other. But not all the sorting can be completed before it is time to put the bags on a train to take them to distant destinations. The problem is solved with what the Post Office calls its "TPO"—the travelling post offices which are in fact mobile sorting offices aboard trains.

The first ever TPO, built in 1838, was a converted horse box on the Grand Junction Railway between Birmingham and Warrington. Even today, TPOs look from the outside as if they might still be converted horse-boxes.

The TPO is like an ordinary passenger carriage without windows, except for narrow slots heavily protected with very strong gauze, a constant reminder of the embarrassment the Post Office suffered at the hands of the Great Train Robbers.

You can tell a TPO by a letter box in the side, for use only in the station.

Inside the train, there are two sorts of compartment. One type is just for storage which holds ready sorted mail bags which are dropped off or picked up at stations along the route. The other is the sorting office on wheels which, down one side, has rack upon rack of pigeon holes each labelled by geographical destinations on the other are hooks from which open mail bags hang.

Each night, 43 TPOs criss-cross the country. From Euston to Carlisle, from Newcastle to Bristol, from Paddington to Penzance, and so on. On Thursday night, the evocatively named Great West TPO, which runs to Penzance through Bath, Bristol, Exeter and a number of Cornish towns, hooked on a buffet car to show journalists the marvels of the mail.

If a buffet car was a temptation to the Post Office's 34 sorters, they did not show it—for they do not take a meal break. As the train hurtled west at speeds of up to 100 mph, they sorted 100,000 letters between Paddington and Penzance.

For the sorters, it is a life necessitating two homes, or more probably lodgings at least at one end of the run. They receive £16 a night accommodation allowance and a special bonus for the disruption.

On the Great West TPO, there is major interchange when it reaches Bristol where it meets up with two other mail trains, one going to South Wales and the other to the Midlands. It also meets the "up" train from Penzance. For an hour between midnight and 1 am, nearly 130 postmen switch 2,000 mail bags between the trains and take a further 750 into the nearby Bristol Post Office in a complicated dance of trolleys.

The sorting on the Great West TPO gets more and more detailed as it runs through Cornwall. By the time it reaches Penzance just after 7 am it has sorted the mail for that town into individual walks.

Late mail blamed on railways

THE POST OFFICE has warned British Rail that unless the reliability of the mail train is improved, it will continue to divert more letters and parcel business to air and road transport, writes Jason Crisp.

In the last two years, the percentage of letters carried by British Rail has fallen from 75 to 70 per cent of the 34m postal every day. BR's contract with the Post Office is believed to be worth about £40m.

Mr. Bernard Chainey, general manager of the London postal region, warned on Thursday night that timekeeping by British Rail was still not back to the standard of 1978, although it was substantially better than last year, "the worst for many years."

Last year, the Post Office set up an internal air mail network linking airports at Exeter, Bristol, Cardiff, Newcastle, Glasgow, Gatwick, Lydd Norwich and Bournemouth. Planes chartered from six airlines fly at night to Speke airport at Liverpool when mail for each region is quickly exchanged between aircraft.

Mr. Chainey, speaking on Travelling Post Office heading for the West Country, said, "British Rail should be the natural carriers of letters over certain routes; and we should like to continue to use them; but we must take into account the cost and the service we get."

It is the second time this year the Post Office has publicly complained of British Rail's timekeeping. There are two main reasons for the Post Office's criticisms of BR. First it shares some of the blame for the non-delivery of first class mail on the following day. Second, the Post Office and BR are in the last year of a three-year contract and with both organisations in danger of exceeding their cash limits, re-negotiation is expected to be very tough.

The Post Office says that 87 per cent of first class mail was delivered the next day in April, and 86 per cent in May which—was lower because of the TUC's Day of Action.

First class deliveries became particularly bad last year when, in addition to BR's difficulties on timekeeping, the Post Office itself had considerable problems largely blamed on severe staff shortages. The Post Office's present objective is to deliver 90 per cent of first class mail a day after posting. The present problems with BR are believed to account for about three per cent of missed deliveries.

Although British Rail only carry 70 per cent of letters, it does carry the vast majority of letters which travel distances of over 100 miles. At present air freight is probably used for only three to four per cent of the total.

UK NEWS

Three options for ruined Ally Pally

BY ROBIN PAULEY

A CLOUD of gloom hung over the ruins of Alexandra Palace yesterday as it became clear that her still-hot ashes may not, like Phoenix, "now create another heir as great in admiration as herself."

Rebuilding the palace around the remains of the ghostly girders of the Great Hall and restoring the building to its former glory is only one option facing Haringey Council after Thursday's fire which destroyed 60 per cent of the North London building.

Two other possibilities will be considered by the council on Monday. One is to demolish the remainder and build a new conference, community and cultural centre on the site. The other is to raze the remains and grass-over the area, adding to the park's open space.

Mr. Robin Young, leader of the council, said he would oppose any move which was a "hand-wringing negative admission of defeat" such as grassing over the area. Many North London residents undoubtedly would support him, because they voted four-to-one in favour of preserving their largest landmark when it was threatened with demolition a few years ago.

But "Ally Pally," which Haringey bought for £1 from the Greater London Council in January, has always aroused passions. People either love it or loathe the sight of it. And there will be a strong lobby wanting to be rid of it once and for all.

It has posed a fiendishly difficult and expensive maintenance problem for years. It is also almost impossibly sited, making access to concerts and exhibitions difficult from many parts of the city.

On the other hand, it is a much-loved London landmark which stood as a monument to days of former glory and grandeur in both the city's and the nation's history. It may not have been beautiful, but it was impressive in the same sort of way Cologne Cathedral is grossly rather than gracefully majestic.

There is financial incentive for Haringey to do nothing to rebuild it. The GLC gave the council £8.5m when the building, with an enormous sigh of relief, was handed over in January.

Although it was understood the money would be used for renovation and restoration, there was no legal commitment to this effect. Much of it has been accruing interest while development plans were made for the buildings.

There also will be an insurance pay-out on the fire, which will represent one of the fire-insurance market's major losses this year.

Alexandra Palace was insured for a total £47m-£31m by Haringey Council and £16m by the BBC for its part of the building, much of which was not destroyed on Thursday. Haringey was insured through Municipal Mutual Insurers (MMI) and a consortium of brokers. (The largest fire loss this year was the £72.5m fire at British Aerospace's Weybridge factory in January).

The cause of Thursday's fire was still unclear yesterday. Arson has not been officially ruled out but is considered to have been unlikely. A new fire-certificate was issued for the building on April 1, although Mr. Terry O'Sullivan, chairman of the council's Alexandra Palace committee, said yesterday: "Fire precautions cannot have been adequate, otherwise it would not have burned down."

Mr. Young said precautions for getting people out of the building had it been full were "sufficient to give a warning for escape." Work was due to start next week on installing more fire-escapes in the Great Hall.

Alexandra Palace's serious problems began during the Second World War when several companies tried unsuccessfully to run it commercially. It eventually passed to a local authority trust and then, in 1967, to the GLC.

It had fallen into disrepair and the famous Willis organ, destroyed in the fire, had been exposed and allowed to rust. Since then, it had been in pieces and restoration work began on it a few days ago only feet from where the fire is thought to have started.

Mr. Ellis Hillman, former chairman of the GLC arts and recreation committee and a leader of the campaign to save Ally Pally in 1974, said yesterday: "I doubt whether the organ could ever have been properly restored without spending tens, even hundreds, of thousands of pounds.

"The loss of everything is an absolute tragedy and my great fear is that because of the previous financial problems many people may not think it worth going on with.

"The GLC may have given Haringey £8.5m but I guess it would have needed £20m to £30m to restore Alexandra Palace properly. Rebuilding will be very costly but I hope they do it. For some, the loss will be simply too good to be true." In recent years, basic maintenance and upkeep had cost the GLC £500,000 a year.

Nevertheless, Haringey tried to make something out of it since January. On Monday work was due to begin to put a new roof on the roller-skating rink and to roof-over the Italian Garden. It was planned to turn the building into a conference and exhibition centre, doubling as a local cultural and musical venue. The Great Hall alone could hold a choir and orchestra of 2,000 and an audience of 12,000.

A three-day jazz festival, due this weekend, has been cancelled because the entire park must now stay closed until the rest of the building and the Great Hall skeleton can be declared safe. The next scheduled major event is Haringey Show at the beginning of next month.

But throughout this century the Great Hall and the annexes have not seen the bustle and activity of their heyday in the 1880s and 1890s. Then they were in constant use for concerts, entertainments, touring acrobatic shows and music-hall revues. After the vigorous campaign to save it in 1974 Ally Pally had a brief moment of splendour recaptured with its centenary celebrations in 1973.

But then the financial problems returned, the Environment Department resisted all efforts to have the building listed, and when the Tories took control of the GLC in 1977 they decided not to pursue an active policy to revitalise the building beyond basic maintenance.

Alexandra Palace was planned on a grand scale after the International Exhibition closed in 1862. No expense was spared in building the complex of halls. They combined Victorian heavy-girder construction engineering with grandiose style and proportions.

It was named after Princess Alexandra and opened to the public on May 24, 1873. Sixteen days later it burned to the ground. Rebuilding work began immediately and it was reopened two years later. This time, history may well not repeat itself.

Prior says 'no State aid for textile industry'

BY JAMES McDONALD

UNEMPLOYED YORKSHIRE textile-workers were told yesterday by Mr. James Prior, Employment Secretary, that there was no hope of Government aid for their industry.

Mr. Prior, who was visiting Huddersfield, where over 1,500 textile-workers have lost their jobs this year, said: "There is no particular offer of cash or help that I can give. The Government is deeply concerned about the level of unemployment and we will do what we can to mitigate it, but it is going to be tough."

The Minister, touring the North to see how employment has been hit in the area, also warned those in employment that there would have to be sacrifices in the coming round of wage-claims and settlements if inflation was to be brought down. "The sooner we realise that, the quicker we shall get through this recession."

The wool industry had been hard-hit by the recession and the high value of the pound was making exports less competitive. But, said Mr. Prior, the Government was helping as much as possible through the temporary short-time working scheme, and other consultations were going on. He could not say there were any simple solutions.

● The Church of England yesterday entered the unemployment debate. The General Synod, meeting in Westminster, passed a motion calling on the Government to "encourage creation of new jobs as of the highest priority."

The Rt. Rev. Simon Phipps, Bishop of Lincoln, introduced a Church working party report on Work and the Future. He said every Government's policies left casualties. "It is for people like us to make it a political issue."

All political parties and appropriate agencies should work together, urgently to explore the whole area of alternative occupations "if the future economy is not going to provide employment for a sizeable section of our community."

He said this suggestion had "nothing whatever to do with getting value for money out of the dole. I am not interested in that idea, and I would reject it."

The churchmen also attacked their working party report for not suggesting enough ways of fighting unemployment.

Second careers for teachers urged

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

EMPLOYERS should be encouraged to help older staff capable of teaching mathematics, sciences, craft, design and technology to train for a second career in schools, said Lady Young, Minister of State for Education and Science, in Solihull yesterday.

Ways of overcoming the teacher-shortage of such subjects was important to the economy. The Government was willing to consider awarding them supplementary pay and better promotion prospects.

Some companies were already enabling staff to find out about teaching, Lady Young said at a conference of the Council of Local Education Authorities.

Lady Young thought differential pay would not be enough to attract the potential teachers. Besides encouraging entrants from industry, local authorities could ask qualified married women teachers to return to schools. There could also be a special scholarship scheme to attract suitable teenagers into teacher-training.

Lady Young said one of the Government's aims was to make education more responsive to industrial needs. Part of this task was up to employers.

They had "a responsibility, not only to make known in clear and realistic terms what they look for in new recruits, but also to consult with schools and colleges, the better to appreciate what those recruits have to offer in experience and achievements on which further training can be built."

Four businessmen to lead education inquiry talks

FOUR LEADING businessmen are to head discussions as part of the first large-scale inquiry into UK higher education since the 1963 Robbins Committee, writes Michael Dixon.

They are Sir Kenneth Berrill, chairman of Vickers Da Costa; Sir Adrian Cadbury, Cadbury Schweppes, chairman; Sir Alastair Pilkington, chairman of Pilkington's, and Sir Michael Clapham, Lloyd's Bank deputy chairman.

The inquiry will consider the likely demand for future higher education and its cost. It will be carried out by the independent Society for Research into Higher Education, with an £85,000 grant from the Leverhulme Trust.

The project will be directed by Professor Gareth Williams, of Lancaster University.

Gatwick terminal inquiry ends after 75 days

THE MARATHON public inquiry into Gatwick airport's plans for a second terminal finally ended yesterday.

It has lasted 75 days, 125 witnesses have given evidence and nearly three million words have been spoken.

Now it is up to Mr. Michael Heseltine, Environment Minister, to decide on whether the second terminal, costing more than £100m, should be allowed. If it is, it will bring Gatwick's annual passenger handling capacity up from 16 million to 25 million.

Strong objections to the plans have been lodged by dozens of conservation groups throughout the South East and by both West Sussex and Surrey County Councils.

The British Airports Authority believes that it has made "an overwhelming case" for the development of a second passenger terminal. It said that its case rested on "the economic need of the country to handle the air traffic that wants to come to London."

Ex-director ordered not to remove assets

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

MR. ROY COOPER, former director of Imex (Reprographics), who faces a £228,000 damages claim for alleged fraudulent representation, was ordered by a High Court judge yesterday not to remove any assets from the UK.

The order was granted to Nashua International, a subsidiary of the Nashua Corporation, of Nashua, New Hampshire, the international manufacturer and marketer of office copying systems.

Mr. Gavin Lightman, QC, for Nashua, told Mr. Justice Slade that Nashua had been owed $119,000 by Imex. On the strength of representations by Mr. Cooper and another Imex director, who had since died, Nashua supplied Imex with more goods to the value of $109,000. These representations had been that Imex was solvent and that arrangements had been made for Imex to pay Nashua $56,000 of the money already owed.

No money had, in fact, been paid to Nashua, which contended that the representations had been made fraudulently or negligently, said Mr. Lightman.

Nashua had obtained judgment against Imex for $263,000 in August last year but, less than two months later, Imex had gone into creditors voluntary liquidation.

Nashua had started proceedings against Mr. Cooper and his fellow director, and then heard that Mr. Cooper, who had business interests abroad, was realising assets in the UK and that there was a risk that he would remove them from the country.

Mr. Joseph Ricardo, for Mr. Cooper, said that there was no evidence that Mr. Cooper intended to remove assets. If an order was made against him, it would kill his trading and his goodwill.

The judge also allowed an English company in the Nashua group, Nashua Copy Cat, to be joined as a plaintiff to give a cross-undertaking in damages, limited to £100,000.

Boos greet Thatcher and Joseph

By James McDonald

ANGRY demonstrators greeted Mrs. Thatcher and Sir Keith Joseph, Industry Secretary, during visits they made yesterday.

At South Shields, about 300 people waving banners blaming Government policy for unemployment, booed and shouted when Sir Keith arrived to open a £5m printed circuit board plant for the Plessey group which will employ 200 people.

In Spitalfields, East London, about 100 public service workers carrying placards and a 12 ft effigy of the Prime Minister demonstrated against social service cuts when she visited the Toynbee Hall welfare centre to open an adventure playground.

She overran her schedule to join in a sing-song with pensioners in the hall. Accompanied by a guitar-playing nun and shaking a pair of maracas, she sang versions of Amazing Grace and Lord of the Dance with gusto.

BASE LENDING RATES

A.B.N. Bank	16 %	■ Hambros Bank	16 %
Allied Irish Bank	16 %	■ Hill Samuel	§16 %
American Express Bk.	16 %	C. Hoare & Co.	†16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	18 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
Bank of Credit & Cmce.	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½%	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
■ Brown Shipley	16	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	17 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 %
Consolidated Credits	[illegible] %	Twentieth Century Bk.	16 %
Co-operative Bank	*16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16½%
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Wintrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	16		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	16 %		
■ Guinness Mahon	16 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%, 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £25,000 14¼% and over £25,000 14½%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

LABOUR

ICI white-collar staff take action over pay

BY PAULINE CLARK, LABOUR STAFF

INDUSTRIAL ACTION taken nationally for the first time by white collar staff in ICI yesterday was said by the company to have left production operations "totally unaffected."

But the Association of Scientific Technical and Managerial Staffs, one of the unions involved in the action over pay, denied there had been only a lukewarm response.

It claimed that 10,000 staff, angered at the company's failure to improve a 16 per cent pay offer, had joined in some form of action, including 24 hour strikes and demonstrations outside works gates.

Union officers in ASTMS and TASS, the white collar section of the Amalgamated Union of Engineering Workers, will meet their national ICI staff committees today when the possibility of further action will be discussed.

The company said yesterday that it was unlikely that any new management initiative on pay would be taken in response to yesterday's action.

It said its offer of a 16 per cent rise from June 1, following a 3 per cent inflation award in January, was final and had already been accepted by negotiators for 50,000 manual workers.

The unions claim 23,000 staff are covered by the present staff pay agreement. Between 16,500 and 17,000 are trade unionists, it was said.

The company described yesterday's action as "sporadic" with less than 2,000 having taken part in a strike although others had joined in alternative forms of protest. Those on strike represented about 2 per cent of ICI's total workforce.

Unions said most of the main ICI centres were affected, with the Teesside petrochemicals division "totally disrupted."

Clegg error 'must be corrected'

By Philip Bassett, Labour Staff

TEACHERS' EMPLOYERS told the arbitration panel examining this year's teachers' pay settlement that if the Clegg Commission's £130m error over last year's deal is not corrected beyond doubt it could have serious consequences for local government pay bargaining in the next wage round.

This year's deal for the 470,000 teachers in England and Wales was referred to arbitration when the employers' side cut its 13 per cent offer to 9.2 per cent to take account of the 4 per cent erroneously awarded by the commission.

The arbitration panel's findings are expected in 10 days' time. Teachers' unions want about 21 per cent.

The employers say the arbitration is over matters of principle above and beyond this year's pay deal. They said in evidence that the panel's award "should be considered against the background of national policies on public-sector pay." They oppose an increase in line with the rate of pay increases as being "inflationary and arithmetically questionable."

They say that if the error is not corrected now, then "in the eyes of the commission, the Government and of the public at large" teachers will have been overpaid by 4 per cent.

Biggest steel union accused of 'poaching'

BY CHRISTIAN TYLER, LABOUR EDITOR

A FORMAL complaint is being made to the TUC about a recruitment drive among British Steel Corporation managers by the biggest steel union.

The Iron and Steel Trades Confederation is being accused of breaching the TUC's no-poaching rules by trying to win Steel Industry Management Association members on the eve of their ballot about a merger with another TUC union.

The complaint cannot be made by the association because it is not a TUC member. It will be lodged by the suitor union, the Electrical and Plumbing Trades Union's white-collar section EESA.

The confederation circulated managers with a specially-prepared booklet after the announcement of the merger plan and ballot, to be held later this month. The confederation has 2,000 members in the relevant grades against the association's 12,200. Its attempt to merge with the association failed recently, mainly because of the reluctance of the association's rank and file members.

Mr. Robert Muir, the association's general secretary, said last night his union was sending out its own literature "to deal with the ISTC propaganda."

With 107,000 members, including most production workers, the confederation considers it is the natural focus of any further union mergers within British Steel.

ITN drops Olympics plan

BY PAULINE CLARK

MANAGEMENT at Independent Television News said yesterday it had cancelled its plans to use video transmission from the Moscow Olympics because of failure to reach agreement with its journalists.

The company had hoped to use electronic news gathering equipment (ENG) including video cameras in Moscow, but it will now have to rely solely on the more time consuming filming process.

The 105 journalists at ITN, who earn on average £9,000 to £10,000 a year, are demanding a pay increase to recognise what they say are the "extra pressures" and earlier deadlines imposed on them by the use of ENG.

So far, little progress has been reported in talks between management and the ITN chapel (union branch) of the National Union of Journalists, in spite of agreement reached earlier this week with the technicians' union, the Association of Cinematograph, Television and Allied Technicians.

Producing again

METRO-CAMMELL, the Birmingham rail car manufacturer, returned to full production yesterday when a six-week pay dispute involving 150 contract electricians was settled. The Electrical and Plumbing Trades Union said the increase from £141.50 to £157.50 for a 39-hour week would help to compensate for loss of earnings arising from amendments to a bonus scheme. The electricians are employed by GEC Traction in Manchester.

Duffy seeks car talks

A UNION president yesterday called on the Government to impose import controls on selected foreign cars.

Mr. Terry Duffy, of the Amalgamated Union of Engineering Workers, said the alternative to this and other measures would be the end of Britain's motor industry, and more unemployment.

He said he and Mr. Moss Evans, general secretary of the Transport and General Workers' Union, would see Mr. John Nott, Trade Secretary, on Monday to call for action.

Their message would also go to the EEC commissioner in charge of industrial policy.

F.T.-ACTUARIES SHARE INDICES

QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at June 30, 1980, are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters.

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)	Market capitalisation as at June 30, 1980 (£m.)	% of all share index	Market capitalisation as at Mar. 31, 1980 (£m.)	% of all share index	Market capitalisation as at Dec. 31, 1979 (£m.)	% of all share index
1	CAPITAL GOODS GROUP (172)	10,871.0	14.41	9,811.0	14.61	9,126.4	[illegible]
2	Building Materials (28)	2,177.3	2.89	1,956.6	2.91	1,729.0	2.70
3	Contracting Construction (27)	913.5	1.21	870.9	1.30	820.5	1.28
4	Electricals (16)	3,671.1	4.86	3,160.0	4.70	2,892.3	4.51
5	Engineering Contractors (11)	345.5	0.46	306.1	0.46	325.2	0.51
6	Mechanical Engineering (74)	2,580.2	3.42	2,373.5	3.54	2,312.9	3.60
8	Metals and Metal Forming (16)	1,183.4	1.57	1,143.6	1.70	1,046.6	1.63
11	CONSUMER GOODS (DURABLE) GROUP (49)	2,909.0	3.86	2,727.3	4.06	2,550.4	3.98
12	Lt. Electronics, Radio, TV (14)	2,090.1	2.77	1,881.8	2.80	1,661.0	2.59
13	Household Goods (14)	144.6	0.19	152.0	0.23	170.6	0.26
14	Motors and Distributors (21)	674.3	0.90	693.5	1.03	698.8	1.09
21	CONSUMER GOODS (NON-DURABLE) GROUP (172)	17,895.3	23.72	16,410.2	24.44	15,879.7	24.76
22	Breweries (14)	2,227.6	2.95	2,022.1	3.01	1,959.2	3.05
23	Wines and Spirits (5)	909.7	1.21	890.1	1.32	916.0	1.43
24	Entertainment, Catering (17)	1,593.9	2.11	1,368.3	2.04	1,301.7	2.03
25	Food Manufacturing (21)	3,133.6	4.15	2,449.4	3.65	2,475.1	3.86
26	Food Retailing (13)	1,198.1	1.59	1,451.6	2.16	1,464.6	2.28
32	Newspapers, Publishing (13)	308.4	0.41	272.4	0.40	246.8	0.39
33	Packaging and Paper (15)	902.3	1.20	866.4	1.28	801.4	1.25
34	Stores (42)	5,260.8	6.98	4,946.6	7.37	4,623.8	[illegible]
35	Textiles (24)	749.3	0.99	685.9	1.02	696.1	[illegible]
36	Tobaccos (3)	1,587.6	2.10	1,440.6	2.15	1,450.7	[illegible]
37	Toys and Games (5)	24.0	0.03	26.8	0.04	42.3	[illegible]
41	OTHER GROUPS (99)	10,127.5	13.43	9,205.5	13.71	8,875.3	[illegible]
42	Chemicals (16)	3,501.4	4.64	3,189.7	4.75	3,059.4	[illegible]
43	Pharmaceutical Products (7)	1,710.0	2.27	1,543.6	2.30	1,513.1	[illegible]
44	Office Equipment (6)	590.4	0.78	584.4	0.87	558.7	[illegible]
45	Shipping (10)	678.4	0.90	659.7	0.98	588.3	[illegible]
46	Miscellaneous (60)	3,647.3	4.84	3,228.1	4.81	3,155.8	[illegible]
49	INDUSTRIAL GROUP (492)	41,802.8	55.42	38,164.0	56.82	36,411.8	[illegible]
51	Oils (8)	11,494.3	15.24	10,139.8	15.10	9,795.6	[illegible]
59	500 SHARE INDEX	53,297.1	70.66	48,293.8	71.92	46,207.4	[illegible]
61	FINANCIAL GROUP (118)	13,718.8	18.19	11,698.8	17.42	11,411.8	[illegible]
62	Banks (6)	3,367.4	4.46	2,927.2	4.36	3,146.5	[illegible]
63	Discount Houses (10)	164.9	0.22	131.6	0.20	136.4	[illegible]
64	Hire Purchase (5)	301.1	0.40	252.9	0.37	221.7	[illegible]
65	Insurance (Life) (10)	1,537.6	2.04	1,214.9	1.81	1,166.5	[illegible]
66	Insurance (Composite) (9)	2,787.6	3.69	2,335.8	3.48	2,320.0	[illegible]
67	Insurance Brokers (9)	646.1	0.86	748.6	1.11	706.5	[illegible]
68	Merchant Banks (13)	600.2	0.80	476.8	0.71	436.9	[illegible]
69	Property (45)	3,517.6	4.66	2,991.7	4.46	2,670.5	[illegible]
70	Miscellaneous (11)	796.4	1.06	619.2	0.92	607.7	[illegible]
71	Investment Trusts (109)	4,369.0	5.79	3,665.8	5.46	3,464.1	[illegible]
81	Mining Finance (4)	2,384.9	3.16	1,884.1	2.81	1,688.2	[illegible]
91	Overseas Traders (19)	1,661.5	2.20	1,606.9	2.39	1,366.4	[illegible]
99	ALL-SHARE INDEX (750)	75,431.1	100	67,148.3	100	64,136.9	100

APPOINTMENTS

Senior posts in Rank companies

Mr. Angus Crichton-Miller, managing director, Rank Toshiba and Rank Radio International becomes joint managing director, RANK LEISURE, on February 1, 1981, and on May 1, 1981, will assume full executive responsibilities for Rank Leisure; at which time Mr. Lew Small, at present managing director, will be appointed deputy chairman until his retirement in August, 1981.

Mr. Geoffrey Deith, previously managing director of R. E. Ingham and Company, the company recently acquired by Rank Audio Visual, has been appointed managing director, Rank Toshiba and non-executive deputy chairman, Rank Radio International, from August 11. Mr. David A. Hart has been appointed director and general manager of Rank Radio International with effect from February 1, 1981. He is at present commercial director of Rank Radio International.

All the companies are subsidiaries of The Rank Organisation.

★

Mr. Kenneth C. Binstead, a vice-president and past national chairman, has been elected president of the BRITISH BOTTLERS' INSTITUTE.

★

Mr. Donald J. Pigott has been appointed director general, BRITISH RED CROSS SOCIETY. He succeeds Mr. D. E. Barson, director general since 1976, who has retired on medical grounds.

★

Dr. Edward Ross has been appointed managing director of NATIONAL SEMICONDUCTOR (UK). He has been with National Semiconductor for five years.

★

Mr. John McCutcheon has been appointed to the board of S. DANIELS AND CO.

★

Mr. S. L. Keswick, Mr. R. J. O. Barton, Mr. D. E. Corben and Mr. N. P. Samuelson have been appointed to the Board of GLANVILL ENTHOVEN.

★

Mr. Michael A. Pottle has been appointed manager of JESSEL TOYNBEE.

★

Dr. B. F. Willetts has been appointed a non-executive director of MASSEY-FERGUSON HOLDINGS.

★

RONEO ALCATEL, the new company formed by the French CIT-Alcatel Group following the acquisition of the international machines division of Roneo Vickers from Vickers Limited has commenced trading, and is based at Romford. Mr. K. W. Ketteringham has been appointed managing director and chief executive of the new company. Previously he was a director of Vickers Limited and chief executive of Roneo Vickers Limited.

★

JAMES CLARK AND EATON, Bracknell, has appointed Mr. Dai Harries as export director.

★

Mr. John Connor has been appointed administration director of GUY BUTLER (HOLDINGS) and of its principal operating companies Butler Till and Guy Butler (International).

★

Mr. J. N. Cohen has been appointed an executive director of ORION BANK.

THE WEEK IN THE MARKETS

Weather remains dull but stocks shine

LONDON

ONLOOKER

The equity market's June rally is pushing on well into July, but towards the end of the past week there were signs of heavy weather. It may have been no more than profit-taking at the end of the account, but their was a distinct weakening over the last few days; on Wednesday the market had promised to reach a new high on the All-Share index and to push above 500 on the FT 30-Share. However, to judge by last night surge, the bulls are still in good heart.

Gilt-edged were slightly ruffled by Tuesday's banking figures—by no means poor in themselves, but the previous week's cut in Minimum Lending Rate had led the market to expect something special. The result was that the new stock up for tender on Wednesday morning, Treasury 12 per cent 1987, was mostly left on the shelf. A little of this stock was supplied the following day, but for a change there was still a tap in the market as the week ended, especially as the Government Broker produced another tranche of the high taxpayers' stock, Exchequer 3 per cent 1983, yesterday evening.

Metals lure BP

This week's elephantine bid by BP for mining houses Selection Trust will surely merit a place in the Guinness Book of The Business World. BP brought a good deal of excitement to Throgmorton Street on Monday when it revealed an agreed bid which valued ST shares at £12.90 each, an agregate value of around £410m. There was also a cash alternative of £12.75 per share and shareholders may accept any mixture of cash and shares.

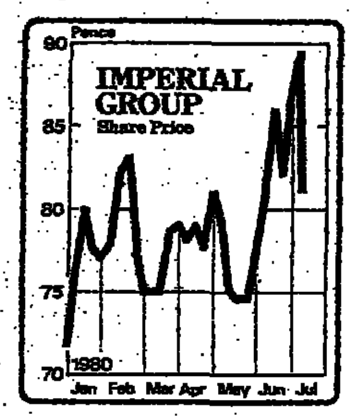
The last time the City saw a transaction of anywhere near this size in money terms was back in 1972 when Grand Metropolitan took hold of Watney Mann for £378m. But that was much more a merger while the BP-Selection Trust deal promises to be an exercise in diversification. BP has made clear however, that while it regards the deal as a prudent absorption of a mining business by an oil organisation, ST will operate as a separate company within the BP family.

The route BP has chosen to enter the minerals business seems a good one. ST's interests range from nickel, copper and zinc in Western Australia to a stake in the Unisel gold mine in South Africa. There is also copper, silver and zinc in Quebec and a valuable 7.5 per cent stake in Amax, the big U.S. mining group.

BP's cash offer places an enormous premium upon ST's market value ahead of the bid approach, but ST shares have come up to within pennies of the £12.75 cash alternative. Meanwhile, BP's share price has come off 28p in the last week, down from 374p to 346p yesterday: at this price the bid values ST at around £396m. Selection Trust shareholders may now be in some doubt as to the best course of action. A share acceptance offers tax advantages, but the cash is a sure thing and leaves one free to invest in other mining groups if so desired.

Imps' gremlins

Imperial Group's shareholders are a patient lot. The current year to October looks as though it will be the fifth successive year of pre-tax profits in the £130m area, for all the group's huffing and puffing about diversification into new areas of corporate endeavour. Nearly a decade after Imps began to try to reduce its dependence on tobacco, cigarettes remain not only the largest, but the fastest-growing source of earnings: in the most recent half-year thanks to good pre-Budget sales and a temporary lessening of competitive pressures.



The biggest disaster is still the food division, where Imps' continuing problems at Eastwoods—in retrospect a most unfortunate acquisition — have been augmented by difficulties in the North American poultry market, where prices have fallen steeply. Unlike British egg prices, though, they now seem to be recovering, and the second half may be less bad in the U.S. The brewing figures have been artificially boosted by the switch of Imps' interest in the now-dissolved Harp consortium from associate to subsidiary status, and paper and packaging is now making no money at all at the trading level.

Imps is deeply worried about the trends of UK consumer spending upon which it is so dependent. Courage is seeing volume sales fall at the moment, competition in the carette market seems likely to increase again, and even the healthiest parts of the food division must be under some pressure. So although this year will benefit from a positive contribution from Howard Johnson, which will be included for the strong summer season, the group is looking for a decline in protfis from last year's £136.7m. No wonder the shares fell steeply after the announcement on Thursday; the yield of well over 13 per cent is a measure of the market's disillusionment.

News down under

It may be a ittle early to be certain but it looks as though Mr Rupert Merdoch's Australian master company, News Corporation, will win total voting control of its sister newspaper publishing company in the UK, News International, without much resistance.

The formal NC offer documents for the 50.1 per cent of the equity it does not own were published during the week. They do little to flesh out the bones of a complicated reorganisation other than to highlight the Australian company's heavy borrowings and to indicate that the dividend applicable to assenting NI shareholders will amount to 39 per cent of the total corporation's distribution this year by comparison with a 34 per cent earnings contribution.

The income advantages of the proposed deal have never been questioned. Mr Murdoch intends to split the NI capital with a one-for-one scrip issue and buy out half the enlarged equity at 100p per share for a cost of just under £20m. Dividends on the new shares will be paid in sterling and equal to the dividend paid on NC's equity. One of the principal benefits is that the remittance will be treated as franked income by the UK authorities.

What does rankle, however, is the disenfrancisement of NI shareholders for only in the event of a winding up will the new shareholders have a right to vote. Possibly, that may not matter overmuch but the new capital should be treated as a form of income stock, participating only in the growth of dividends rather than earnings per share. Those accepting must hope that level of attributable and distributed profits will always be closely linked.

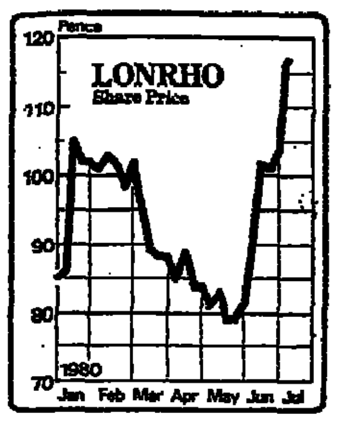
NI certainly has a good track record and there are grounds for believing that the combined company has strong growth prospects but disenfranchisement runs against the trend of City opinion.

Mr. Murdoch needs the acceptance of 75 per cent of the free votes when the issue is decided at the end of this month. The City has seen no moves to block the proposals and any NI institutional holders unwillingly to comply, or prevented from doing so by trust deeds, still have an opportunity to sell in the market. The shares have been trading at 20p over the previous suspension price of 163p.

Lonrho looms

The recent performance of the Lonrho share price has been raising a few eyebrows around the city. Since the company's attempt to hike House of Fraser's dividend foundered at last month's Glasgow showdown, the shares have crept up from 96p to Thursday's close of 112p.

The main buying has apparently come from South Africa, where news of a new goldmine has inspired enthusiasm and from the U.S., where a leading securities house has been chasing the shares. The effect has been to bring House of Fraser back within the target of



Lonrho's sharp-shooting chief executive, Mr. Tiny Rowland.

By Thursday evening, Lonrho's capitalisation had increased to £243m from £208m at the time of last month's EGM, while that of House of Fraser has dipped to £190m from £203m. Assuming that Lonrho would pay a 25 per cent premium on the 70 per cent of Fraser that it does not already own, the current price-tag works out at £166m.

This would still be quite a mouthful since Fraser shareholders could well look askance at an offer with a heavy paper content, but Mr. Rowland might be tempted to take a leaf from S. and W. Berisfordd's book, making a rights issue well ahead of time, to stock up with cash. He might find Lonrho's own shareholders more willing to accept new paper than Fraser's.

A rights issue would probably cause some short-term weakness in the share price but Lonrho can afford to wait, particularly if conditions in the retail sector continue to deteriorate. There have recently been several bullish factors fuelling the rise in the Lonrho price. Apart from news of the new mine, the gold price has enjoyed a resurgence and analysts have been upgrading their forecasts for Lonrho's interim figures, due next week. The iron looks hot.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
F.T. Ind. Ord. Index	493.0	+ 9.2	495.0	406.9	Profit-taking absorbed
F.T. Govt. Secs. Index	70.73	+ 0.76	70.73	63.85	Inflation/int. rate hopes
Akroyd and Smithers	340	+47	340	204	Increased Stock Exchange turnover
BP	348	−26	412	320	Stock indigestion
Burnett and Hallamshire	760	+105	760	470	Big hopes
Carless Capel	119	−30	152	68	Chairman's cautious remarks
Downing (G. H.)	124	+14	125	98	Good second-half performance
Ferranti	635	+48	645	400	Investment demand
Harris Queensway	148	−22	208	136	Downgraded profits forecast
Imperial Group	81	− 6	89½	71½	Disappointing int. statement
Plessey	209	+18	209	108	Bid hopes
Polly Peck	118	+33	128	6	Speculative demand
Ransomes Sims and Jefferies	168	+26	170	108	Investment recommendation
Samantha	101	−43	156	28	Profit-taking in Australians
Sotheby	458	−77	555	385	Interim statement disappoints
Stanhope General	195	+40	215	124	Agreed offer from Dares Estates
Strata Oil	126	+26	130	10	Woodada 2 nears target depth
Tebbitt Group	38	+10½	38	14	Bentley and Slater buy stakes
Vinten	154	+26	155	114	Results due next Monday
Waddington (John)	138	+22	138	104	Recovery prospects

The 900 barrier

NEW YORK

DAVID LASCELLES

SO NEAR, but yet so far. For the fourth time in three years, the market made a valiant effort to gain a firm footing above the 900 level of the Dow Jones industrial average, only to come tumbling back again.

In fact the Dow crossed 900 in inter-day trading on numerous occasions during the week—and hit a high point of nearly 909 on Wednesday afternoon. But each time, it was repelled by heavy selling that was quite obviously triggered by investors (or computers), who are stuck with the idea that 900 is the moment to get out.

The insurmountability of 900 is depressing enough, and it makes a lot of people wonder when, if ever, the market will break through. But what makes it worse is that on the three previous occasions, when the market failed at this level, it fell back 100 points in less than a month.

Is this what will happen this time?

With any luck, no. The previous peaks (in late 1978, late 1979 and early 1980), all came when the market was basically in a downward mood, with investors bitterly discounting the long expected recession. Interest rates were high, the economic prospects were uncertain, and things were plainly going to get worse.

This time the picture is quite different. The economy is in recession, interest rates are sharply down from their April levels, and things should now be getting better. There is also an immense amount of money hanging over the market: $75bn in money market funds which will have to be liquidated soon, and as much as $360bn in maturing certificates of deposit.

That's why a lot of market analysts think the 900 barrier is now vulnerable. And, of course, if the market does break through, it would wipe out all the 900-sell psychology and move into a new trading range.

In the two previous recessions (1970 and 1975), the Dow gained more than 400 points from trough to peak over a couple of years. So far it has only advanced 140 from the spring low.

In the coming days, a lot will depend on how the Federal Reserve Board handles credit policy. Although the prime rate is still coming down (Citibank led the way from 11½ per cent to 11¼ per cent yesterday), the underlying money market has turned mushy, and it badly needs a firm signal from the Fed that interest rates can go down still further.

This week also brought some hopeful news on the economic front. Housing and retail sales are both up quite sharply for the first time in months—possibly a sign of a turnaround in the recession. But prices are still rising: the producer price index, which measures wholesale prices, was up 0.8 per cent in June, a lot more than the 0.3 to 0.5 per cent rises of previous months.

The half-yearly reporting season, now under way, will also impact the market for the next week or two. So far, the biggest industry to report is banking, and earnings there are sharply higher, thanks to soaring interest rates earlier this summer. But the rest of corporate America is not expected to produce such heartening news. Indeed, Ford gave Wall Street a sharp reminder of its problems by slashing its dividend from $1 to 30 cents on Thursday. The wood products companies also turned in lower profits because of the slump in housing.

Next week should produce some results from the big oil companies—always the high spot of the results season. But though profits will be high, the percentage rise will be a lot lower than in previous quarters because year on year comparisons now include the spectacular 1979 figures. The weakness of oil prices may also have taken some of the edge off earnings since the sharp run up at the beginning of this year.

On the merger front, Penn Central, the once bankrupt railroad, proved it is once again a force to be reckoned with by bidding $630m for GK Technologies, one of the U.S.'s largest cable makers. The $45 per share offer marks a big premium over the $29 recent price of GK. But clearly Penn holds out big hopes both for GK, and for what the deal can do to its own re-emergence as a major corporation.

A tussle has also developed over J. Ray McDermot's $28 a share bid for about 20 per cent of Fullman, the transport engineering concern. Pullman rejected the approach and may now seek a merger with somebody else. This fulfilled Wall Street expectations: Pullman shares have been trading well above $28 and actually hit $33 on rumours of a counter bid.

MONDAY	898.21	+ 9.30
TUESDAY	897.35	− 0.86
WEDNESDAY	897.27	− 0.08
THURSDAY	885.92	−11.35

The market rallies round

UK EQUITIES

IAN RODGER

LED BY some of the major names in British manufacturing, the sharp stock market recovery of the past six weeks looks to some like the beginning of a great bull market.

The FT 30 Share Index has gained almost 20 per cent since the beginning of June and the FT-Actuaries All-Share Index has risen 15.4 per cent, grazing its all-time high of 283.82 reached on May 4, 1979, the day of the Thatcher Government's election.

For others, however, the rally is a flash in the pan, sparked by reflex reactions to lower interest rates rather than any confidence that company fortunes will start soon to improve.

This week, amid more indications of uncertain economic trends, it was difficult to find institutional investors who believe the rally will be long sustained.

Those not under pressure by the need to find a home for incoming cash were claiming that they preferred not to participate confident that the rally would soon be engulfed by dismal half-year company figures and forecasts.

For example, a lowered 1980 profit forecast from Imperial Group Thursday was held partly responsible for a 3.6 point drop in the FT 30-Share Index that day. Even some of those pension fund managers who continued to buy seemed to lack enthusiasm.

The rally got under way on June 2 after the FT 30 touched a low for the year of 412. It had risen to 493 last Wednesday. Over the same period, the FT-Actuaries Industrial Group gained slightly less, 17.6 per cent, while the All-Share Index, which weathered the slump early this year better than the FT 30, rose 15.4 per cent.

The main participating groups in the rally have been mining finance, up 37.9 per cent, capital goods, up 22.1 per cent and merchant banks, up 25 per cent.

The glaring absentees have been the oils, the group which led the market earlier in the year. The FT-Actuaries Oil Index has risen only 4.9 per cent since the beginning of June.

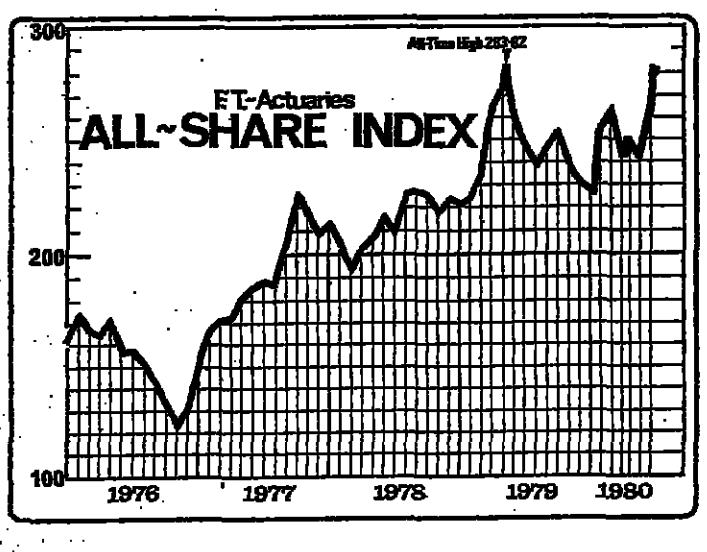
Within the FT 30, the shares that have risen the most in the past six weeks include Plessey (51 per cent); Hawker-Siddeley (41 per cent); Turner and Newall (34 per cent); Courtaulds (31 per cent); Beecham (29 per cent); GEC (28 per cent) and Tate and Lyle (28 per cent).

At the bottom of the list is BP, having gained only 4 per cent in this period with Lucas (7 per cent) and UDS, Cadbury and John Brown (8 per cent) and ICI and GKN (10 per cent) also faring poorly.

A rich crop of takeover bids has helped to stimulate demand, especially the huge £410m offer early this week by BP for Selection Trust. Selection Trust shares jumped from 670p in mid-June before the BP approach was announced to £12¼ this week after the £12.75 a share bid. The offer also pushed up the shares of Charter Consolidated, which has an approximately 26 per cent interest in Seltrust.

Other fast-rising shares affected by bids or bid approaches include Proprietors of Hays Wharf, Rolls-Royce Motors, Unicorn and Wilkinson Match.

A more unusual stimulus came this week from the



National Coal Board pension funds which invested more than £10m in three investment trusts, Drayton Premier, Lake View and Alliance Trust. The NCB buying has helped the shares of other trusts and the investment trust discount, which has already narrowed in recent weeks, was down to 21 per cent Thursday from 24 per cent on Monday.

The rally has proceeded despite some substantial placings and rights issues. Big lines of B.A.T. Industries, Ferranti and Pilkington shares have been on offer while Land Securities, S. and W. Berisford and British Home Stores have made large rights issues.

The first underlying reason for the rally given by institutional investors surveyed this week was the decline in interest rates. In theory, the international trend of falling rates which was followed in Britain last week with a 1 per cent cut in MLR should mark the approach of the turning point in the economic cycle, with industry benefiting immediately from lower interest rates and ultimately from general economic recovery.

The most depressed shares, particularly in manufacturing, offer in many instances the additional attraction of high yields. At the beginning of June, for example, the gross dividend yield among shares in the capital goods sector was 7.15 per cent. Recent buying has knocked it back to 6.03 per cent.

"Yields are still high in historic terms and I think we are on the right side of the recession," one investment manager said. "A lot depends on the pace of the fall of interest rates though I think it will be slower than many people think."

The June banking figures this week were not as good as some had hoped and the news of excessive public spending was discouraging but fund managers still seem convinced that the trend to lower interest rates is set.

With hindsight, it appears that the market was oversold in the spring as investors reacted to what seemed like unrelieved bad news from industry. Profits were crushed by the effect of the high value of sterling on export margins while the home market continued to weaken.

In its later stages, the subsequent rally may have been overstated as institutional investors sought to get involved before facing their half-yearly performance reviews. Mutterings about "herd instinct" and "indiscriminate buying" were frequent last week.

The challenge remains to pick out the high-yielding manufacturing companies that are going to survive the recession and to forecast whether a recovery is in sight or still a year away as some people think.

Meanwhile, everyone is braced for another round of bad news from companies in the next few weeks.

"Dividends will be up a bit among companies in the 30 Index," one pension fund adviser said. "But outside the Index, some big companies will do monstrously."

THE BIGGEST GAINERS: JUNE 2 — JULY 9

Company	% rise
Selection Trust	93
Wolf Electric Tools	92
Proprietors of Hays Wharf	72
Charter Consolidated	58
Costain Group deferred	57
Rea Brothers	55
Plessey	51
Thomas Borthwick	48
Pritchard Services	48
Northern Engineering	47
Lonrho	46
Hill Samuel	44
Rolls-Royce Motors	44
Costain	44
Unicorn	42
Johnson, Matthey	42
Wilkinson Match	42

Source: dataSTREAM (companies capitalised at more than £10m)

Wondering why they bother

MINING

GEORGE MILLING-STANLEY

IT CAN BE difficult at times to understand quite why mining companies go to what is often considerable trouble to dig things out of the ground, when the prices they receive for the results of their labours are in most cases governed by factors beyond the control.

No one could hold the South African mines in the Consolidated Gold Fields group responsible for the volatility of the gold price this year, and it is true that they benefited from the astronomic heights reached during the first quarter.

This week's report of second quarter results from the mines showed the effects of the comparative weakness of the gold market in April-June, however, when the average price received by the mines in the group was $558 per ounce, well down on the first quarter's $634.

The price decline, the trend towards mining lower ore grades and the rise in working costs all combined to leave profits 23.6 per cent down at the operating level at R392m (£214m). Lower tax charges and higher sundry income reduced the fall at the net level to 14.6 per cent.

Staying in South Africa, the half-year sales figure from De Beer's Central Selling Organisation showed the effect that the economic recession is having even on a market as tightly controlled as the one in diamonds.

The higher figure for sales during the first half just ended was mainly the result of price increases, and should not be alowed to obscure the underlying fall in the volume of stones sold.

With stocks at the cutting centres at historically high levels, and the recession continuing, all the indicators point to a further decline in diamond sales in the second half—certainly in terms of volume, and possibly in value terms as well if there are no price increases.

Still with diamonds, this week saw the publication of another quarterly progress report from the Ashton joint venture in Western Australia. There were hints earlier in the year that this report would have something really exciting to impart, but in the event it is a record of steady and worthy progress to which the stock market, usually a fair judge in such matters, reacted with studied indifference.

It seems just about certain that there will be mines at Ashton, and there is no question that there are a lot of diamonds there. The only question mark over the project's future is the size of the stones. Most of those found so far are very small, and this is the section of the market which reacts most violently to general economic pressures.

Moving from diamonds to base metals, the announcement this week that construction work has started at Cominco's Polaris lead-zinc mine high in the Canadian Arctic gave some idea of the scope of the problems faced by mining ventures in far northern regions.

The only surprise is that anyone felt it worth the trouble to develop deposits in these latitudes, although the high ore grades of the mines shown in the map, especially those of Polaris, must have been a great temptation.

Turning to coal, it looks as though things are finally coming right for the Oaky Creek coal project in Queensland. The finalisation this week of 15-year contracts with three European steel producers has solved the mine's major problem, the absence of an outlet for its projected 2.25m tonnes of coal per year.

America's Houston Oil and Minerals bravely went ahead with construction work at a time when it seemed that noone in Australia wanted to be involved in a mine without a guaranteed market for its output.

The only cloud on the horizon now is the attitude of the Australian Government, which requires that all new mining ventures must be 50 per cent-owned by Australian interests. Oaky Creek does not meet that requirement—the only domestic stake is the 40 per cent held by MIM Holdings, and even that company is controlled by Asarco of the US.

This puts the problem firmly back in the Government's lap. Houston Oil and the other participants can only hope that the authorities use the right they have to waive the 50 per cent rule when they feel that it would be in the national interest to do so.

Another problem to which the Australian Government will soon have to turn its attention concerns the proposed takeover by BP of Selection Trust and, more specifically of ST's 78.8 per cent stake in Seltrust Holdings.

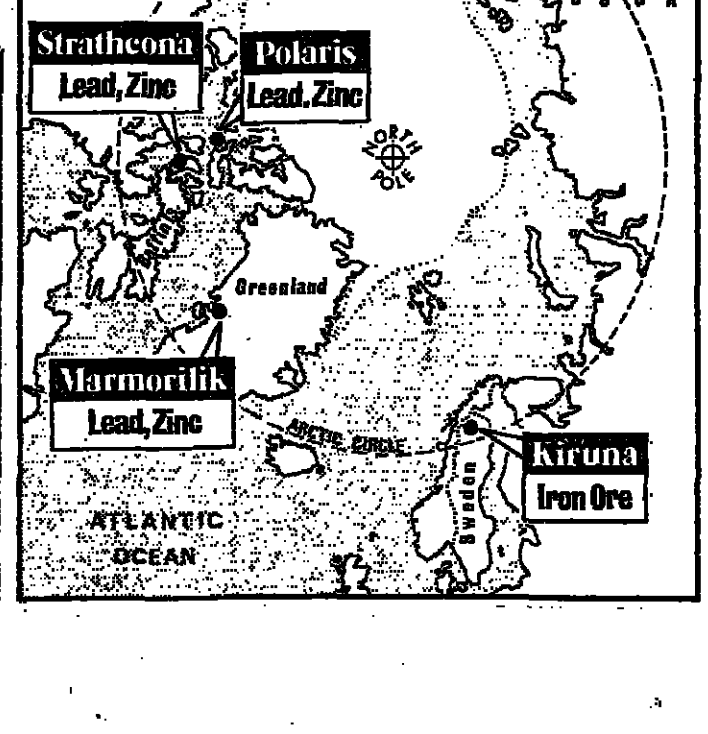
This company was set up last year to group ST's operating interests in Australia, and it has participations in the Mount Newman iron ore project, the Agnew nickel mine and the Teutonic Bore copper-zinc-silver deposit. In addition, it owns the drillship "Regional Endeavour" and a 75 per cent share in a substantial exploration programme, with the remaining 25 per cent under the control of ST.

Some of the minority in Seltrust Holdings is in the hands of UK investors, and they are beginning to show signs of concern over the impact that the proposed deal will have on their investment.

BP's statement to the effect that there is "no intention to vary the Selection Trust group's shareholding in, or its existing arrangements with, Seltrust Holdings" is all very well as far as it goes, but it does not provide the sort of re-assurance the Australian company's shareholders are seeking.

The annual report from Charter Consolidated this week showed the brighter side of the mining coin. The restructuring of the company has left it in a much stronger position, with long-term debt falling by just over half to £23.1m, and the debt position has been further improved since the balance sheet date by the repayment of the company's £19m-worth of Deutsche-Mark bonds on April 1.

Beyond that, Charter is of course in the happy position of waiting for a payment from BP worth around £100m in cash or stock in return for its 25.7 per cent stake in Selection Trust. Some of that will almost certainly be spent on buying ST's Alexander Shand (Holdings), but Charter is still nicely placed to take advantage of the relatively cheap investment opportunities open to those fortunate or far-sighted enough to possess sizeable amounts of cash at a time of recession.



A building contract

BY OUR LEGAL STAFF

I received an estimate of £460 from a contractor for building work at my house and agreed the figure when I met him. He ordered materials and I paid him £200 in cash on account when they were delivered. He started work, but then injured himself, leaving these materials, sand, aggregate, bags of cement, etc., more or less blocking the entrance to my house. When I asked him to get somebody else to do the job, he said he had not had anything from me in writing and that I should arrange things myself. I did, in fact, find somebody eventually who quoted the same figure. Meantime, I have been greatly inconvenienced and am out of pocket £200. What do you think I could do about it?

We think that you had a valid oral contract with the first contractor at £460. If he has not repaid you the £200 already paid to him you are entitled to be paid that sum by him. (Strictly speaking this is arrived at by charging him with the cost of the job which is required to finish the work, but deducting the price you would have had to pay him: that is, he would be entitled to be paid another £260 but you could charge him with £460 for the new contractor—leaving a net £200 due from him to you.) You might possibly have a claim for the annoyance and inconvenience, but this is a new area of the law relating to damages and courts are reluctant to extend the head of damage to cases such as yours. We think that you should demand £200 plus interest from the first contractor. The duty to engage a substitute contract is placed on you rather than on the first contractor in law.

Householders complaints

A group of boys frequently play ball games on the road in front of my, and my two neighbour's houses, and one a cause of considerable annoyance to us. Am I right in believing that when three or more householders complain a local authority has to take steps to abate such nuisance?

There is no rule that requires the local authority to act on complaint of nuisance (other than of noise nuisance). The highway authority has a duty to take action to prevent the obstruction of highways but it will exercise its own discretion in deciding whether or not to take such action.

A lost deeds case

The deeds of properties let on 999 year leases at £2 per year ground rent are missing and recently a sale to one of the freeholders, who offered £200, was frustrated for this reason. What can be done about it?

You can still make title by appropriate statutory declarations. However it is not uncommon for would-be purchasers to shy away from such a title. Your better course would probably be to apply to H.M. Land Registry to register the title as a "lost deeds" case. Once registered your title will be marketable.

Damage from damp

I bought a long leasehold flat about a year ago. I have found that the path laid at the side of the flat's outside wall is above the damp-proof course causing the damp to penetrate the wall. The agents for the management company are not prepared to take any action on the grounds that the flat was built about 14 years ago and there were no complaints from the previous owner. The builders (developers) are not prepared to take any action for the same reason and they ask me to deal with this problem in conjunction with the management company. Can I legally force the management company to rectify the problem by lowering the level of the path or rectify the defect in my flat?

As the defect arising from the level of the path should have been evident when the path was laid, the company is probably right in refusing to accept responsibility 14 years after the development was completed—at least so far as negligence is concerned. But a claim in nuisance may also lie if the damp penetration causes damage. That is a continuing cause of action which will not be barred by lapse of time; and you would be entitled to pursue that claim against the owner of the path—presumably the management company.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Sovereigns and transfer tax

As dealings in current sovereigns are apparently free of capital gains tax, because their face value is £1, though the market value is about £56, does the same apply to capital transfer tax.

Capital Transfer Tax would be chargeable (if at all) on the actual value, which now probably exceeds the figure which you mention. It would not be limited to the face value of the coin.

Liability for water rate

Referring to your reply under "Liability for water rate" (June 7); I own some small blocks of garages, let to tenants who have no connection with near-by flats, which I also own. Previous to this year the "rates and water rates" have all been on one account. This next year the water charges are quite separate, and accounts received from the water authority. They have both charged me a substantial "commercial rate" amount for both water and sewage. They have been told in writing and by telephone, that neither water or sewage, or disposal facilities are at the garages, nor have the occupiers any access to such services. Am I correct in maintaining that they cannot charge for services which are not supplied . . . under the terms of the Water Charges Act 1976? In the answer you gave, it mentioned they can only charge for sewage part of the "water" rate. In my particular case there is even the means of drainage of water from the garage area.

We think that you are entitled to refuse to pay the proposed water and sewage rate on both limbs. You should write to the water authority once more pointing out the absence of both services and referring to the statutory provision, preferably sending the letter by recorded delivery service and, of course, keeping a copy. You would then be justified in not paying the rate.

A question of domicile

I have a U.S. dollar income from a trust fund in the U.S. This income is regularly transferred to the UK and taxes paid. I now intend to ask the U.S. bank to hold it there till required here. Thus I could possibly avoid crossing the next tax threshold, reduce investment income surcharge, and transfer only when the exchange rate is not too unfavourable. This plan, of course, depends on when the tax is due. Could you please advise me if it is due as and when the money is earned, or only when it is transferred to this country? I am a naturalised British citizen now retired to Yorkshire and living on pensions and investment income.

Assuming that the trust fund was established by a third party (and does not fall foul of UK antiavoidance legislation), the answer depends upon your domicile. Presumably your domicile of origin was in one of the states of the U.S. (or elsewhere outside the UK), and so the question turns upon whether your domicile of origin has been displaced by a domicile of choice in England and Wales. If the figures are significant, you would be wise to seek professional guidance on your domicile (under English law).

If your overseas domicile of origin still subsists—which may well be so—you could find that the rate of U.S. tax on your trust income doubles (from 15 per cent to 30 per cent), under paragraph 5 of article 4 of the U.S.-UK double taxation convention of December 31, 1975, as amended by the second protocol of March 31, 1977.

When policies expire

INSURANCE

JOHN PHILIP

ALTHOUGH MOTOR insurance is compulsory there is no law requiring insurers to issue any renewal notices to policyholders—because, quite rightly, the duty to insure and to continue to have valid insurance is placed by statute on the motorist's shoulders. It is the motorist who faces prosecution for failing to insure and not insurers for failure to remind him so to do.

In practice virtually all motor insurers do issue renewal notices to policyholders—for the very good reason that they want the continued custom of all but the few really bad risks that have emerged over the previous year. And to these few, insurers usually make their intentions clear well before renewal.

The renewal notice normally carries with it a 15-day certificate of insurance providing the policyholder with the cover that the law requires him to have—personal injury liability insurance, and nothing more. This certificate is issued without charge, on two basic and alternative assumptions: first, that if the policyholder renews his cover, part of the premium he pays will cover this initial 15-day period of the new year of insurance; second, that if he takes his business elsewhere, he will do so immediately on the expiry of his previous annual cover, and will not therefore put insurers at risk even during that 15-day period.

In theory insurers hold that this 15-day extension is to tide the motorist over only against his own forgetfulness or against unforeseen delay in premium payment, that the 15-day extension is not given to enable the motorist to shop around, and perhaps get a better bargain. Nevertheless, in practice, insurers sometimes have to accept injury liability claims that arise during this 15-day period, whether or not the motorist intends to renew.

Where insurers are dealing direct with the motorist there is no problem—apart from the vagaries of the postal system—in getting the renewal notice and 15-day certificate to him. But where the motorist arranges his insurance through brokers, sometimes insurers' notice and certificate are held by the intermediary, who then issues his own renewal invitation, without the 15-day extension. The motorist who drives beyond the expiry date of his insurance, with only a broker's renewal notice, and no temporary certificate, runs the risk of prosecution, conviction and disqualification.

Over the years insurers have done their best to persuade such brokers of the error of their ways—to recognise that they are not acting in their clients' best interests. But the practice still continues, though there is some hope that it will soon be completely abandoned.

This is because the British Insurance Brokers' Association has established a code of conduct which includes the rule that insurers' renewal notices should not be withheld. Obviously registered brokers, members of BIBA, should observe the code of conduct, but unregistered brokers need not (though if they remain unregistered they will soon have to stop calling themselves brokers). So insurers will now be able to look to BIBA to enforce its code of conduct.

Where the motorist arranges cover through a broker it sometimes happens at renewal date that the broker suggests a change of insurer. Such a suggestion may be "low key," properly a suggestion and nothing more, indicating the terms offered by the holding insurer, and comparing those with terms offered by one or more other insurers.

Here the motorist can make his choice, and if he wishes, stay with his present insurers.

At the other end of the scale comes the high-handed, arbitrary assumption that the motorist will change insurers at the broker's behest, and without reasonable explanation: this kind of "brook-no-argument-we-know-what-is-best-for-you" approach completely subverts the true broker-motorist relationship.

The broker is the motorist's agent, and he should seek his instructions having fully appraised him of the facts and the reasons for his recommended change. No motorist should accept unexplained change without enquiry. After all, he is paying the premium, he is buying the protection—and it may well be much more in his interests to continue with his present insurers, thereby retaining the goodwill he has built up.

It is a fact of insurance life that the commission the broker earns from particular insurers can influence the suggestions, the recomendations of choice he makes to his motoring clients. So the motorist who can see little or nothing to choose between several insurers in cover, premiums, quality of service and so on is surely entitled to ask his broker whether it is the amount of commission that influences his recommendation of a particular insurer.

Words of warning

BY ERIC SHORT

EACH YEAR, too many investors find that they have lost money by investing in a life insurance policy, simply because they change their minds after payment of a few monthly premiums. If they want these back, they have to settle for a "surrender" value often well below even the nominal value of their contributions. This aspect of life assurance clearly disturbs Mr. Gordon Borrie, the Director General of Fair Trading, who this week again voiced his concern in a speech to the Industrial Life Offices Association.

Mr. Borrie has learnt much about life assurance operations since his notorious speech two years ago to the Insurance and Actuarial Society of Glasgow, when he was highly critical of its working. Now he accepts, perhaps grudgingly, that life companies have the right to decide how much to pay investors on early cash-in and that companies cannot be over generous.

Now Mr. Borrie wants prospective policyholders to be warned before taking out life assurance of the pitfalls of early cash-in and he rightly takes the life assurance industry to task for not providing the consumer with more information ahead of a sale. Above all, he wants companies to emphasise that life insurance is a long-term saving and not a substitute for a savings bank.

Mr. Borrie, however, wants life companies to go even further and advise investors on likely surrender values over longer periods. Here he is getting into a contentious area of guaranteed surrender values. For UK actuaries have always been opposed to guaranteeing surrender values except on specific contracts such as flexible endowments.

His feeling is that a large proportion of complaints arise from misunderstandings based not on wrong information at the time of sale but on lack of information.

The reply of the sales side of the insurance industry is that if you point out the disadvantages of a sale without being asked, then the odds are that the sale will not be completed. The contention is that insurance has to be actively sold and the consumer's interest is soon lost if he is swamped with information.

This argument is simply not acceptable. The buyer of life assurance has a right to be told all the relevant facts without having to ask.

The second feature of life insurance which Gordon Borrie finds disquieting is that consumers do not know how to complain. This week he suggested that life companies, as a matter of routine, should enclose a note with the claims form stating how an unhappy investor can have his complaint investigated.

He reinforced his argument by referring to the procedure with "industrial" life insurance—life insurance where premiums are paid weekly or four weekly and collected by agents. These premium payments are recorded in a premium receipt book, which the policy holder keeps, and which sets out how complaints can be dealt with through the Industrial Assurance Commissioner.

The legislative control of industrial life insurance based on the 1923 Industrial Assurance Act—the earliest example of consumer protection. Any policyholder can refer a dispute to the Commissioner who has the power to arbitrate. His award is binding. The industrial life companies are quite satisfied with this system which settles disputes with a minimum of formality and expense.

Gordon Borrie, it appears, would like to see some independent body which could handle ordinary life assurance complaints in a similar manner. The Life Offices Association operates a complaints service but deliberately keeps this rather quiet. Moreover, it can do no more than try to persuade the life company to do something.

Gordon Borrie's idea is worthy of further consideration, but a word of caution is needed. The complaints received on industrial assurance by the Commissioner fall under three main headings—with several minor ones.

These are misleading information at time of sale, ownership of the policy and surrender values. The second major cause is technical and does not appear to cause ordinary life companies many problems.

Some of the published cases of the Commissioner regarding misleading information at the time of sale are interesting. The commissioner has in many cases found in favour of policyholders solely on the oral evidence of the witnesses, and awarded the return of premiums with interest. Given high pressure salesmanship of certain life company's representatives a similar complaints system for other life business would be even more appropriate.

But with complaints on surrender values, the Commissioner can do little more than check up that the policyholder is entitled to a surrender value and that it meets the statutory minimum value. He cannot rule that a life company should pay more.

Most complaints received by the LOA (which represents companies doing ordinary business) relate to inadequate surrender values. But a central complaints agency, whether a statutory body or otherwise, could do little more than explain what a surrender value is.

Finally, since Gordon Borrie is a practical man, he urged the insurance associations to give favourable consideration to complaints and conciliation in its Statements of Practice. The LOA is due to revise its code for life assurance shortly. We shall see whether Gordon Borrie's remarks have been heeded.

UNIT TRUST AND INSURANCE OFFERS

YOUR SAVINGS AND INVESTMENTS

Eurobonds: the big issue

BY TIM DICKSON

EUROBONDS have a somewhat mysterious image in the minds of most UK private investors. In spite of the spectacular growth of the market over the last decade few outside the privileged circle of City investing institutions seem to know much or care much about them.

At first sight this is slightly surprising given that elsewhere in Europe, notably in Switzerland, private investors have played a significant role in what is now one of the world's largest international capital markets.

Exchange controls, of course, and the wide diversity of largely unknown borrowers, are mainly responsible for this blinkered approach. But now that these have gone, Eurobonds are likely to attract greater attention in future, despite the occasional difficulty of dealing.

The big problem for the uninitiated is to pick a way through the maze of literally thousands of different issues. One answer, which we have discussed previously is to go for one of the many offshore funds which specialise in international bonds, including Eurobonds. In this way the anxieties of management can be handed over to somebody else.

Many people, on the other hand, may wsh to run their own portfolios, a point obviously not lost on Barclays Bank International which has just produced a useful "beginners guide" for potential investors. The minimum amount needed for one transaction in the Eurobond market is about £5,000, though investors would need rather more to get a satisfactory spread.

The Barclays booklet, which is written in a straightforward style, discusses the origins of the Eurobond market, how bonds work, how they are issued and traded, and how investors can weigh up the risks and rewards.

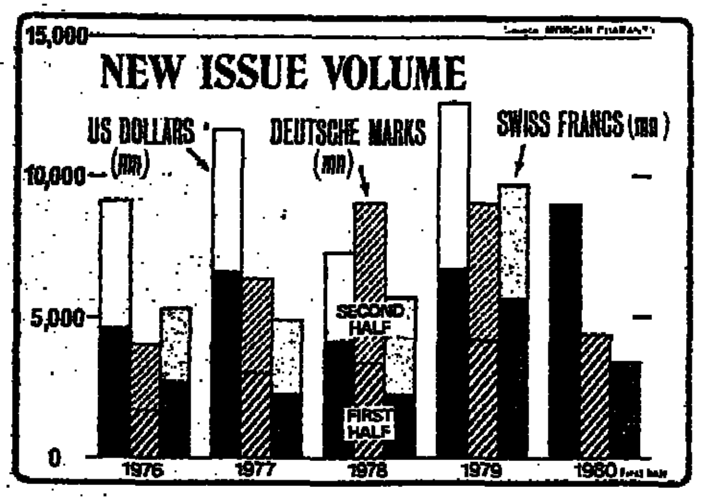
Eurobonds, in fact, unlike most words with a Euro prefix, have nothing to do with the Common Market. The term "Euro" in this context was coined in the 1950's to describe the international money and capital markets based in Europe using currencies which were outside their country of origin. Originally that capital was exclusively denominated in U.S. dollars which have found their way into European banks to escape expensive U.S. reserve requirements. As borrowers began seriously to tap the European markets in the 1960's Eurodollar issues were joined by issues denominated among other currencies in Deutsche marks, Swiss francs, and Japanese yen—wherever offshore operations offered a useful cost advantage.

Today the Eurobond market is enormous. Only this week it was announced by Kredietbank Luxembourgeoise and Credit Lyonnais that $5.7bn in public Eurobond issues was launched in the second quarter of 1980, the highest ever quarterly total. As the chart shows the growth in recent years has been particularly spectacular bringing the total amount of issues launched since 1963 to more than $80bn.

As the Barclays guide explains, a Eurobond can be defined as an international bond sold outside the country of the borrower. It is underwritten by an international syndicate of commercial and investment banks and sold principally in countries other than the country of the currency in which it is denominated. Foreign bonds, by contrast, are also international but are primarily underwritten by banks and institutions in one country, denominated in that country's currency and principally sold there. Yankee and Samurai bonds are foreign bonds denominated in $U.S. and Yen.

Eurobonds can also be divided into certain categories which correspond to the needs of different investors. Most commonly, for instance, there are fixed rate (or straight) bonds which have a fixed rate of interest and final maturities of between three and 25 years. These work in roughly the same way as UK gilts. Next there are floating rate notes which have a fixed redemption date but whose interest payments vary with interest rates generally. This rate is usually established every six months as a fixed margin (e.g., ¼ per cent) over the London Inter Bank Offered Rate (LIBOR), the rate at which banks lend to each other in London. Floating rate notes are clearly attractive if it is thought that interest rates generally are on the way up or at least uncertain.

A further two types of bond meanwhile offer the investor a chance to buy into the shares of an issuing company. First of all there are bonds with detachable warrants which entitle holders to buy shares at a price fixed at the time of the issue. Second, there are "convertible bonds," which carry the right to convert the security into shares at a fixed date. For this right, however, investors have to accept a slightly lower rate of interest. On Thursday the property group MEPC became the first British company since exchange controls were removed to launch a convertible bond.



The chief advantages for Eurobond investors over investors in domestic bond markets can be summarised as follows:

● Currency choice. If you think sterling is overvalued, you can choose between Swiss franc, Yen, Deutsch Mark or Dollar issues.

● Form of bonds. Eurobonds are issued in bearer form, which means that possession of the certificate is presumed to be sufficient proof of ownership. There is no register of investors which third parties can inspect.

● Interest payment. This is always made gross, free of withholding tax and other taxes. For the UK-based investor, subject to income and capital gains taxes, there is little saving bar a little extra cash flow. More importantly there is not the problem, which attaches to other foreign currency securities, of reclaiming withholding tax.

The Eurobond market undoubtedly attracts prestigious borrowers from the public and private sectors, ranging from international institutions such as the World Bank to national governments and blue chip companies. But the big stumbling block for UK investors, is that many of the names are unfamiliar or unknown.

Besides this, the Eurobond secondary market, which allows investors to cash in or switch securities, has at times proved unreliable over the years. Although many Eurobonds are quoted on Stock Exchanges, very little trading is actually done on the Exchange floor. Business is done over the telephone by specialist firms called market makers, who act like jobbers (wholesalers) and buy and sell bonds on their own account. Brokers, known as dealers, act on behalf of investors and trade with market makers, although deals can be made directly to market makers. There is no clear distinction between jobbers and brokers as there is on the Stock Exchange.

Eurobond trading is therefore essentially more informal than the buying and selling of stocks and shares.

As a result spreads between "bid" (what the seller receives) and "offer" (what the buyer pays) can sometimes be considerably wider than the one-half point generally experienced for actively traded bonds in normal market conditions. Over the last year the falling dollar and historically high interest rates have created remarkably unsettled conditions for Eurobond investors and in the subsequent confusion many market makers were not actually quoting prices.

Prices of the latest 200 international bond issues for which an adequate secondary market exists, however, are quoted every day in the Financial Times and a complete list of Eurobond prices is published in the FT on the second Monday of each month.

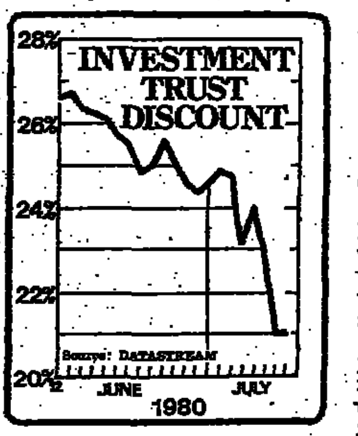
Barclays offers both individual advice and a portfolio management service but most London stockbrokers are also equipped with a Eurobond research and dealing facility.

Narrower discounts

MOST CHARTS which present a line obeying the laws of gravity generally spell bad news. The one on the right, however, should bring badly needed midsummer warmth to the hearts of investment trust shareholders.

The chart illustrates the familiar problem of the investment trust "discount." This is the difference between the value of investment trust shares in the stock market and the value of the assets which they represent. For several years this discount, which has remained obstinately wide in spite of the protests of those who run investment trusts, has persistently dogged investors.

This week, however, it narrowed significantly as a result of a major buying spree by the National Coal Board pension funds, which surprised the market by considerably increasing their stakes in Alliance Trust, Lake View Investment Trust and Drayton Premier Investment Trust. The precise motive for this move is not clear but it came at a time when the investment trust sector was already in demand and short of stock. So far this year, for example, the Investment Trust index has risen 36 per cent, against the 22 per cent increase in the FT Actuaries All Share Index.



Several factors are involved. The UK market and Wall Street (which carries the hopes of many trusts) have simultaneously been strong while the April Budget, which simplified the old capital gains tax system, has removed the incentive for private investors to sell their investment trust shares ahead of other equities. Pension funds generally, for whom investment trusts are now more tax efficient, are also reported to be showing greater interest in the sector.

It remains to be seen whether the current excitement is more sustained than some of the false dawns which have broken in the past.

T.D.

Missing factor

THE ENTRY this week of the Commercial union into the unit-linked life assurance sector would normally have passed with little comment. After all, this move is just the latest in a series of traditional life companies putting aside their past prejudices against this form of life assurance and operating in this rapidly growing field.

Indeed the CU's "Hand-in-Hand" investment bond is the usual form of lump sum investment and can be linked to a property, equity, fixed-interest or cash fund with full switching facilities. But the CU is not, as yet, offering a managed fund—a most significant omission.

A managed fund is one where the life company mixes the blend of equity, property, fixed-interest and cash and in theory changes the mix to suit its views on investment trends. In this way the investor is offered a professionally-managed portfolio. Most other life companies in this field not only offer a managed fund, but almost without exception find it to be the most popular one with investors. With most life companies, the vast majority of premiums go into the managed fund.

The CU is marketing the bond only through specialist brokers familiar with the unit-linked field and competent to offer investment advice to clients. This excludes many of the smaller brokers who invariably put clients into managed funds, since they do not have the expertise to do otherwise. CU is also marketing through National Westminster, with whom it combines in the latter's Sunflower regular savings schemes.

In theory, a managed fund over the long-term should show a better performance than the individual funds, since the investment mix is changed to maximise opportunities. But the performance tables over the past five years show that investors would have done just as well in property funds—which have shown remarkable stability—as in managed funds. Perhaps CU has a point in its omission.

Time for a shrewd look at returns

BY TIM DICKSON

IF INTEREST rates really have turned downhill—and investors in the equity and gilt markets clearly seem to think they have—savers should look carefully at the accompanying tables.

One illustrates the range of current returns likely to be affected pretty quickly if Minimum Lending Rate, which has fallen from its peak 17 per cent to 16 per cent, continues to move lower.

The other shows the *fixed* rates presently on offer. These will not be influenced over the terms stated by subsequent shifts in the level of interest rates generally. Therefore they could represent good buys in the months ahead.

BUILDING SOCIETIES. High interest rates have undermined the societies' competitive position in recent months and for this reason they are unlikely to lower rates until MLR falls at least another point, possibly two. The battle for savers' funds has centred on the 57 (at least) varieties of term shares, which have tempted savers with everything from a little bit of extra interest, monthly income payments, and even latterly one or two fixed interest offers. These, however, all appear to have been withdrawn though *the Alliance says it may consider coming back into this market.*

BANKS. In line with the fall in MLR, all the clearers have now reduced the rates offered on seven-day deposits from 15 per cent to 14 per cent. Conscious of pressure from the building societies, Barclays Bank this week introduced two new accounts, the Bonus Savings Account and the Investment Account. The first, which is comparable to but not as attractive as a building society subscription share, is for personal customers who can put aside £10 or more regularly each month for a minimum period of a year. The Investment Account is for sums of £5,000 to £50,000 deposited over three or six months. Both accounts are currently paying 15 per cent. Other clearing banks say they have similar schemes in the pipeline.

NATIONAL SAVINGS. The investment account, which is still paying 15 per cent gross, currently offers a good home for ordinary deposits. The Department for National Savings tends to be slower to adjust its rates to market conditions than its high street competitors. Remember, however, that interest is not paid until the beginning of the month after money is deposited and four weeks' notice has to be given to withdraw. The 19th issue, *meanwhile, is still on sale* and will look increasingly attractive if rates come down.

LOCAL AUTHORITIES. The 14.5 per cent offered by Rochdale for one-year money is now out of line with the market and is likely to disappear next week. Hurry while stocks last! At the moment local authorities are reluctant to bid for funds until the position in the money markets becomes clearer.

INCOME BONDS. The short-term bonds went out with the Budget but the four-year and above variety which have quietly appeared now look good value. Age is an important variable with the Target Life four-year bond, which returns 12.7 per cent to men who have attained 80 but less than 11.25 per cent to those under 62. The Provident Mutual 10-year bond also varies fractionally with age. The The position on income bonds for higher rate taxpayers depends, among other things, on the difference between the maturity value and the cost of each pure endowment policy which makes up the bond.

ANNUITIES. Rates have already started to move down. Among the best quotes (without guarantee) for a man aged 65 (purchase price £10,000) are £1.847 from RNPF Nurses, Sentinel (£1,816), Crusader (£1,767), English Insurance (£1,766) and Equitable Life (£1,757). The best quotes for a woman aged 60 are RNPF Nurses (£1,581), Sentinel (£1,581), Crusader (£1,533), Economic (£1,528) and UK Provident (£1,528).

VARIABLE RATES

	YOUR TAX RATE (%) Nil	30	40	60
BUILDING SOCIETIES				
Ordinary shares	10.5	10.5	9.0	6.0
Subscription shares	11.75	11.75	10.07	6.71
Term shares*—2 years	11.00	11.00	9.43	6.29
—3 years	11.50	11.50	9.86	6.57
—4 years	12.00	12.00	10.29	6.86
—5 years	12.50	12.50	10.71	7.14
BANKS				
7-day deposits	14.00	9.8	8.4	5.6
Bonus Savings (Barclays)	15.00	10.5	9.0	6.0
Investment Acc. (Barclays)	15.00	10.5	9.0	6.0
NATIONAL SAVINGS				
Investment account	15.00	10.5	9.0	6.0

* Building Societies Association recommended rates.

FIXED RATES

	YOUR TAX RATE (%) Nil	30	40	60
NATIONAL SAVINGS				
Five-year certificates*	10.33	10.33	10.33	10.33
LOCAL AUTHORITIES				
Yearling bonds	13.75	9.63	8.25	5.5
1-2 years	14.5	10.15	8.7	5.8
3-10 years	14.0	9.8	8.4	5.6
INCOMES BONDS				
4 years	11.25	11.25		
5 years	11.25	11.25		
10 years	10.8	10.8		
GILTS				
Treasury 3% 1985	10.88	9.74	9.36	8.61
Exchequer 13¼% 1987	12.94	9.02	7.71	5.1
Treasury 5% 1986-89	11.03	9.01	8.34	7.02
Funding 3½% 1999-04	10.45	8.35	7.68	6.38

* 19th issue.

A rich heritage in Hampshire

BY JUNE FIELD

THE FOALS come up and greet you as you drive up to the Green Dragon, 600-year-old former blacksmith's forge in Brook where the New Forest Pony Breeding and Cattle Society meet in the bar with its display of pony brands on bends of leather.

Hampshire, apart from the south conurbation, stretching from Portsmouth and Havant in the east to Southampton in the west, is still pretty rural. And an excellent new report produced by Mansell Jagger and Michael Hughes in the local planning department, *Hampshire's Heritage and a Policy for its Future* (£3.57 including postage from Hampshire County Council, The Castle, Winchester), claims it has some of the finest scenery in southern England: "Rolling chalk downlands which cross the country from north-west to south-east, extensive heaths and woods, the unique New Forest, river valleys including the Avon, Test, Itchen and Meon and a coastline with extensive natural harbours and inlets."

The well-illustrated work—it contains some delightful line-drawings of stately homes and ancient churches, dockmill and dovecote plus close-ups of interesting architectural details such as scrolls, brackets and gables—also makes the point that apart from traffic, there are really no major conservation problems in the rural villages. And "character properties are eagerly sought after for restoration and modernisation and command high prices."

In Fordinbridge, whose guide book calls attention to the "healthful and equable climate, untainted by the smoke of any heavy industries," it was early closing day, Thursday, so only the occasional roar of cars disturbed the peace of the ancient town standing in the road from from Bournemouth to Salisbury, 97 miles from London. At Fox and Sons, 5 and 7 Salisbury Street, partner Mr. John Crosthwaite-Eyre has sold some half dozen cottages within the past few weeks, all prior to auction using the contract incorporated in their auction sale particulars.

He explained that although they were in receipt of three times as many instructions as as last year, and the underlying demand for all types of property remains surprisingly strong, "there does seem to be a reluctance by both vendors and purchasers to actually commit themselves."

To combat this malaise of indecision on both sides, they advise, where specialist property is concerned, marketing with an auction in mind. This means putting a house on the market with a well-ahead hammer date, which only costs the vendor some £60 towards the cost of particulars in a special folder with a colour photograph, which are given a wider mailing than usual.

The salient point is that these details contain a binding auction contract in the form of special conditions of sale, and a Memorandum of Agreement for signing; this means that only genuinely keen buyers able to proceed will make an offer having done all their homework with their solicitor first, the vendors naturally having undertaken similar preparations through their legal advisors who will have approved the special conditions, provided a plan and applied for local authority searches.

Although there are obviously some disadvantages to this method of selling, it is one strongly advocated by Mr. Geoffrey van Cutsem, partner in Savills, whose Wimborne, Dorset office also sells in the Hampshire area: he originally mooted the idea in the firm's current annual "Outlook" report, putting over the system again more forcibly and in greater detail in the July issue of the Chartered Surveyor, journal of the RICS. As he comments, asking for "best offers" doesn't really get a vendor anywhere, "since they do not form a contract, the successful best offer can subsequently be withdrawn," going on to maintain that private treaty sales are most affected by delays between verbal agreement of the offer and the subsequent legal exchange of contracts.

"It would seem in England that only in the event of an auction of property is justice seen to be done, with a degree of finality that results directly from the availability of an auction contract together with local authority searches. The buyer bids with more or less full knowledge of the property and signs the contract immediately after the fall of the hammer."

At Jackson and Jackson, in Lymington, partner Paul Jackson finds that properties in the lower price range have been the hardest hit this year, while the upper end of the market has been least affected.

"Country houses in the range between £85,000 and £150,000 are selling quite well, either to individual families or, in a number of cases, to a young family combining with parents who occupy a separate wing, or a cottage which is included with the sale. The middle market between £45,000 and £80,000 has proved more difficult as buyers are depending on larger mortgages."

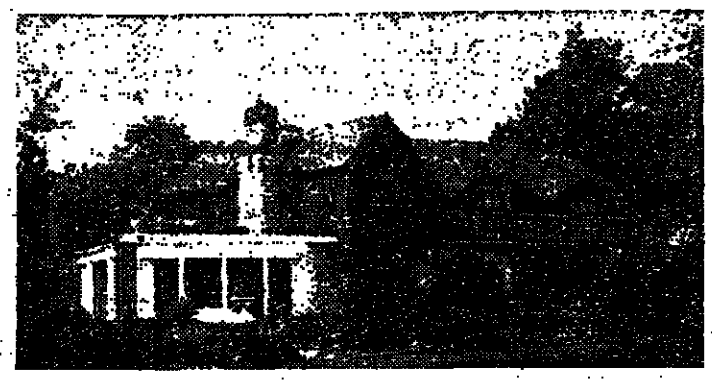
Contact Mr. Jackson at The House On the Quay, Lymington (0590 75025), for a portfolio of properties, which includes a charming renovated Georgian terraced 2-bedroom cottage in Nelson Place just off the old quay, £39,500, and the 17th century 5-bedroom Thatched Cottage in ½ acre with a swimming pool, at Portmore, £79,500; in Minstead in the New Forest, the early Victorian Fleetwater Farm is for sale at offers close to £150,000. It is in 18 acres of pasture with a 4-bedroom farmhouse and ancient barn, owned by Southern Television director Mr. Jack Hargreaves of the "Out of Town" programmes.

The Millers Dale community at Chandlers Ford consists of designs from a few select national housebuilders, plus modern shops and facilities, the setting of wooded countryside and leafy lanes all contributing to a village atmosphere. Laing Homes' "Super Seal" energy-saving detached homes at Gosfield, in good-sized plots, have gas central heating, three bedrooms, lounge/diner, ground-floor cloakroom and a serving hatch which links the kitchen and dining room. They cost from £34,950, with a slightly different four bedroom version from £39,000 to £44,000. Details Mr. Brian Morris, sales director, Laing Homes, 46 Clarendon Road, Watford, Herts, or Miss Elizabeth Stevens, Laing Homes Sales Office, Gosfield, Millers Dale, Chandlers Wood, Hampshire (04215 63588).

Other housing estates include Taylor Woodrow's The Meadows, Lyndhurst, detached houses from £37,850 to £45,000, furnished model homes open 1.30 p.m.-5.30 p.m. seven days a week, joint selling agents Goadsby and Harding, 37/43 St. Peter's Road, Bournemouth (0202 23491), and Sawbridge and Son, 30 High Street, Lyndhurst (042128 2881). Morris Dibben, 11a Southgate Street, Winchester (0962 66422) and their Southampton office (0703 31022), are selling Wiggins Homes, detached Georgian-style houses at Ashley Park Fair Oak, from £29,750. In five acres of wooded grounds at Stoney Cross, near Minstead, a local builder is offering a splendid split-level 5-bedroom, 2-bathroom, treble garage house at the out-of-the-ordinary price of £230,000. (Agent Mr. Geoffrey Cox, Fox and Sons, 30/34 London Road, Southampton, 0703 25155.)

The Post Office and General Stores, Rockbourne, near Fordingbridge, with an annual salary of £1,522, plus 3-bedroom accommodation, is expected to go to auction on July 21. Details John Crosthwaite-Eyre, Fox & Sons, 5 & 7 Salisbury Street, Fordingbridge, Hants. (0425 52121)

Renovated Georgian terrace 2-bedroom cottage with gas central heating in Nelson Place off the Old Town Quay in Lymington, for sale at £39,500. Details Paul Jackson, Jackson & Jackson, The House On The Quay, Lymington, Hampshire (0590 75025)



Wymering House in 1½ acres in Lyndhurst in the New Forest, has 4 bedrooms, 2 bathrooms, guest cottage and swimming-pool complex for sale at £130,000. Details Paul Jackson, Jackson & Jackson, The House On The Quay, Lymington, Hampshire (0590 75025).

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GOLF/GARDENING/RACING

Open questions

BY BEN WRIGHT

THE FASCINATING task of trying to pick the winner of the 109th Open Championship at Muirfield next week is complicated by doubts about the participation of some notable American contenders, but more particularly in my view, because of the vagaries of our climate.

For some weeks now Hale Irwin has vacillated, and so far failed to commit himself to accept my perennial invitation to be a guest at the annual dinner next Tuesday evening of the Association of Golf Writers, one of the social high spots of a great week. When he dropped one stroke at the 71st and two more at the 72nd hole at Butler National Golf Club, in Chicago last Sunday, to lose second place in the Western Open to his American compatriot, Andy Bean, it became my firm conviction that Irwin will not be at Muirfield next week, more's the pity. Irwin is perhaps more intensely competitive, week in, week out, than all his rivals in true world class. But he gets so down on himself when he falls even fractionally short of his own sky-high standards, that on numerous occasions I feel he has contributed to his own downfall.

As Irwin told me last Sunday morning, the Open "boss," his charming wife, Sally, will probably have the last word about a trip to Edinburgh.

Much the same can be said of the simmering temperaments of the immensely strong Bean and of the Texans Ben Crenshaw and Tom Kite, who all have low boiling points. I last spoke to Bean last Saturday in Chicago, and he too voiced doubts about his appearance at Muirfield, but only because he hates cold weather. If he does appear Bean must be a strong each way fancy. Immediately before his solid second place finish at Butler, which is rated as the toughest course on the entire continent by the United Sates Golf Association, who give it a stroke rating of 76.9 against par of 72, Bean tied for 13th place in Memphis. Since winning the Hawaiian open in early February, he has had six top 10 finishes in the past two months —awesome consistency.

Crenshaw has come tantalisingly closer to winning major championships in the past six years, without actually winning any of them than anyone else in the game, including Jack Nicklaus. Inevitably one must wonder now whether he is cruelly destined for ever to play the role of bridesmaid, since this most lovable character craves major titles so earnestly.

Crenshaw has such respect for golf's history and traditions, there could hardly be a more popular winner on this most historic course, but of late "gentle" Ben's velvet smooth tapping touch has shown signs of losing a little of its magic. Ironically, as is often the case, in the same period Crenshaw has shown encouraging improvement in harnessing his sometimes wild driving.

He has shortened and tightened up a swing that was far too long, and now it is a "floating" right leg action that occasionally betrays him in moments of crisis.

Tom Watson has rather gone off the boil in recent weeks, during which period he has revealed a startling inability to mount a worthwhile "charge" when in position to challenge the leader from behind in the final stages. Perhaps this could be the only chink in his apparently impregnable armour.

Only a fool would disregard his chances, however. My only reason for discarding Watson as a betting proposition is that his odds as favourite will be prohibitive, as will those of Nicklaus following his most momentous victory in the U.S. Open. Sentiment favours the great man, since Nicklaus won his first open at Muirfield in 1966, but I wonder how long he can tap his apparently bottomless well of inspiration. It is perhaps a ridiculous comparison, but could Nicklaus be a little like Mohammed Ali at this moment in that he has given his all just once too often?

Defending champion Seve Ballesteros must be desperate to atone for his disgraceful performance at Baltusrol, and thus has placed himself under unbearable pressure. His price in this situation will be woefully short, but like Lester Piggott in every Derby, he will be the ladies' choice. With due respect, I believe Gary Player, who won his first open at Muirfield in 1959 at the age of 23, is past his best.

Ashley Ashwood

Lee Trevino: a good bet

Despite his fine recent European form I prefer the chances of David Graham, Jack Newton and Bob Shearer in that order of preference to those of Greg Norman amongst the formidable Australian contingent. Of the remaining Americans, there are several with impressive credentials, too numerous to mention in detail, so I will return to my point about the importance of the weather.

My form book assembled primarily over the last eight weeks in America makes Lee Trevino the only logical choice as my confident selection to win. Only cold, wet and windy weather—that has been known to afflict Muirfield in July—can make nonsense of such a forecast. Since Trevino's back surgery in November, 1976, was necessitated by a herniated spinal disc after he was struck by lightning in Chicago in June at the Western Open, only bad weather has made this marvellous character and stroke making genius virtually impotent on a golf course.

I need hardly remind you that Trevino won the last open played at Muirfield when he successfully defended the title in 1972, in the process breaking poor Tony Jacklin's great heart.

Since the last week in April, Trevino did not finish outside the top ten in American events until he won for the third time in Memphis two weeks ago, before heading for Muirfield. Coincidentally he had won in that steamy city in 1971 and 1972 before, his last two Open Championship triumphs. In this, his best ever year financially Trevino has won twice, been second three times, and made eight top ten finishes in 16 starts. He last missed a 36 holes cut-off in Memphis in July 1979, and has since survived 21 times consecutively. My case rests. Of the remainder the wily Oriental Isao Aoki of Japan is a dark horse, who can also only give of his best in decent weather. Lastly, what are the chances of the British and Irish? In my opinion they have two—slim and none.

A rose by any other name

BY ARTHUR HELLYER

NURSERYMEN ARE not notably free with information about their trade affairs and so a list of what are claimed to be the top 20 roses for sales is of more than passing interest. In fact the list is not quite what it claims to be since it is divided into three sections, for large flowered (HT), cluster flowered (floribunda) and newer roses with seven names in the first and last lists and only six in the second. It seems unlikely that, put together, these really represent the most fast selling roses but only the most popular in each of these categories. Another weakness is that each list is alphabetical and so gives no indication of the rose-buying public's order of preference. Yet for want of a more accurate guide it must serve and it does reveal some interesting facts about what gardeners look for in roses.

The seven best selling large flowered roses are Alec's Red, Alexander, Fragrant Cloud, Grandpa Duckson, Just Joey, Peace and Piccadilly. The six cluster flowered roses are Allgold, Elizabeth of Glamis, Evelyn Fison, Iceberg, Lilli Marlene and Queen Elizabeth. In the list of newcomers, which includes both large flowered and cluster flowered roses not all of which are very new since one was introduced in 1972 and only one is as recent as 1978, there are five large flowered varieties and only two cluster flowered roses which I find surprising for this is a period during which some remarkably interesting floribunda varieties have been introduced. The large flowered varieties in this section are Alpine Sunset, Doris Tysterman, Double Delight, Silver Jubilee and Troika and the floribundas are Korresia and Margaret Merrill.

One thing that surprises me is the very small number of real rose pink roses. Rose breeders have often told me that there is no great demand for this colour but I have only half believed them since to me it seems the most typical of rose-colours and one which I see a great deal in gardens. Yet there is no place in this top 20 for such wonderful roses as Wendy Cussons, Eden Rose, Pink Favourite Mischief and Pernille Poulsen which would certainly figure in any short list I compiled.

I am also puzzled by the complete absence of the new race of red (or pink) and white roses which Sam McGredy, the raiser, has called "hand painted." They were launched some nine years ago with Picasso and have grown in the intervening years with such eye catching varieties as Old Master, Eye Paint, Priscilla Burton and Matangi, the last, in my view, the best of the lot and a first class rose for garden display. I realise that some people find this colour combination vulgar, and even unnatural, despite the fact that rose and white is the commonest combination in wild roses. It is the intensity of the contrast that has been stepped up in the new race. All these varieties have had a lot of publicity and I would have brought them higher in the popularity stakes. Apparently the gardening public remains unmoved.

It does not really surprise me that none of the "blue" or purple roses enter these lists though one, the delicate lilac pink Escapade, has received a lot of praise and I see it in many gardens. But this is the kind of vigorous bushy rose which many gardeners like to plant in mixed borders rather than massed in rose beds and this probably means that it is largely bought in ones, twos and three rather than in dozens or fifties which could have a big effect on total sales. It is one of the things that holds climbers back and makes them relatively unprofitable for breeders and growers alike.

What does seem a little odd is that, though a great many people say that they love old-fashioned roses and a number of these have purplish rose or purplish red flowers, when this colour turns up in new roses it only appeals to a very few people. News is one of these, a rose that fills a large bed in the RNRS garden at St. Albans with gleaming petunia purple colour but which I seldom see elsewhere. Its raiser, the late E. B. le Grice, must have had a special liking for this part of the rose spectrum for he also gave us the best lilac blue shrub rose in Lavender Lassie. Another in this colour group is Magenta from Kordes the great German breeder, but no doubt the name would be enough to put off most buyers. Names are clearly very important in ensuring sales and it is noticeable that all those in the top 20 have names which are either pleasing or at least easy to remember. Matangi is neither.

It is often said that the public demands fragrance in roses but this list does not support that view. Only three of the roses, Alec's Red, Fragrant Cloud and Margaret Merrill, are strongly scented and six would, I think, be regarded by most people as having little detectable scent of any kind so it cannot be this quality which determines the buyers choice.

Yet allowing for all these peculiarities and limitations it must be admitted that the public has decided to put its money on some very good roses. Alec's Red is arguably the best light red rose that has ever been raised, full, shapely, scented and sturdy. Alexander is rather tall for bedding but admirable in mixed company and it has the brilliance of Super Star allied to a better constitution. Fragrant Cloud is unique in its dusky red colour and is rich in spicy perfume. Grandpa Dickson would not be my first choice as a yellow rose because its colour is too pale and its habit too narrow but it is undoubtedly a good rose that has given a lot of pleasure and won much praise.

Just Joey is a charmer with glowing coppery orange flowers but its very big petals do make it a bit floppy when open. Peace is in a class by itself and Piccadilly is arguably the best scarlet and yellow rose that has been produced. Allgold is certainly one of the most reliable yellow cluster flowered roses though the newer Korresia is a better flower. Time will prove just how good it is in the garden. Elizabeth of Glamis is another charmer combining salmon and orange delightfully, but with me it almost refuses to grow. But then neither does Dearest which in gardens that suit it is one of the loveliest of all roses.

Evelyn Fison and Lilli Marlene are completely reliable bright red and light crimson bedding roses. Iceberg is clearly the best white rose we have and Queen Elizabeth merely suffers from being much too tall and bearing all its flowers at the top.

The newcomers I am less familiar with but Silver Jubilee is undoubtedly a fine rose and the others look a good lot. It takes a few years to ferret out weaknesses which may lie hidden beneath the surface.

Greenwood Star for double

RACING

BY DOMINIC WIGAN

THE LADBROKES punter who had a £1,000 double at odds of 7-2 and 9-1 about Moorestyle in the July Cup and Greenwood Star in today's John Smith's Magnet Cup seems sure to see a bold bid from the bottom weight as he attempts to complete a double which will net that bet £44,000.

Greenwood Star, a grey colt by No Mercy out of Golden Palermo, has already justified one major gamble this season. Seven weeks ago at Haydock Peter Robinson's mount lowered the course record for a mile there in the £11,000 Cecil Frail Handicap despite missing the break. Given plenty of time to find his rhythm the East Ilsley 5-2 chance picked up the leaders a quarter of mile from home before forging away from Sunfield to pass the post with five lengths in hand.

Although he will not have the benefit of the fast conditions he encountered in Lancashire, Greenwood Star is unlikely to be racing on the yielding ground encountered at Newmarket, as North Yorkshire seems to have been spared the worst of the weather. Still leniently handicapped with seven stone nine pounds the Greenwood Homes colt is selected to win at the expense of Sacrilege.

Half an hour before the Magnet Cup in which Tesoro Mio and Edward Hide bids to repeat their success of a year ago, Be Better tries to take the Harp Lager Handicap for a second successive time. However, whereas Tesoro Mio's weight has only risen by two pounds Be Better tackles smart opponents in the Harp race with 18 pounds more to carry.

I much prefer the chance of Geoffrey's Sister. This Chris Thornton mare returns to her best form of last autumn when holding off Pinkerton's Man, to whom she was conceding five pounds in Ayr's Long John Scotch Whisky Handicap on June 21.

A number of promising staying maidens bid to get off the mark in the one and a half mile Fountains Maiden Stakes and here too I expect to see closely concerned in the proceedings Grima, a respectable fourth in Daniel Prenn Plate here and Petty Purse's half brother, Sand Hawk the highest priced yearling of 1978 in Europe. Sand Hawk, a disappointment at Newmarket on One Thousand Guineas day, after shaking off his handler and careering around the paddock is worth another chance.

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3.35—Akram
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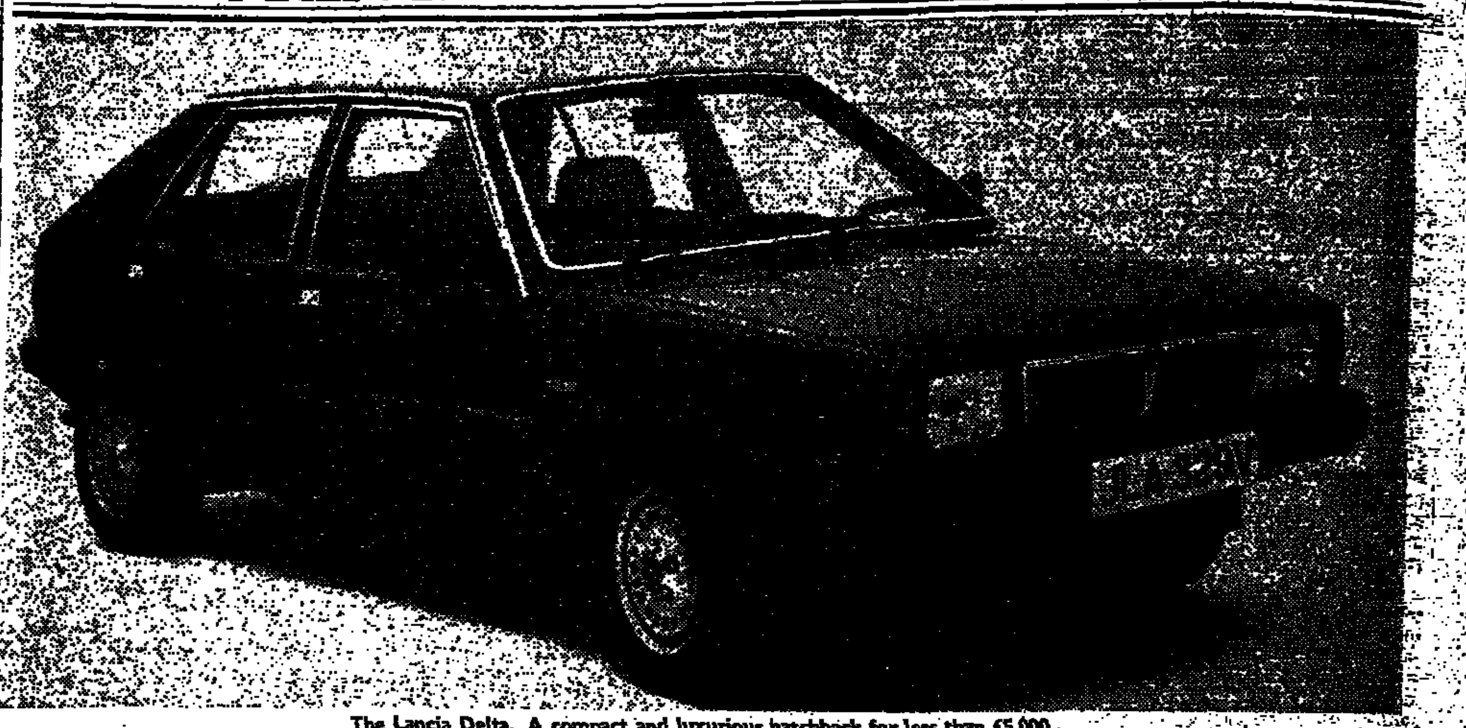

The Lancia Delta. A compact and luxurious hatchback for less than £5,000

Lancia's tempting little luxury

BY STUART MARSHALL

LANCIA'S Car of the Year, the Delta hatchback, goes on sale in Britain on Monday at £4,995. The price should prove tempting to executives of recession-hit companies who want to keep their little luxuries but have been told to cut down a bit until trade (and profits) pick up again. The Delta is furnished in up-market fashion with pile carpet and velour seats and has a folding mirror built into the lockable glove-box lid. Optional extras available include air conditioning, electric front windows, a sunroof and heated driving seat.

For the time being, only the 1500 Delta is being imported but the 1300 will arrive later on. The 1500 has a fairly close ratio five-speed gearbox and responds well to a sporty driving style. Its maximum is a little over 100mph and it accelerates from 0-62 mph (100 km/h) in 12.5 seconds. On a mountain road in Italy last autumn it was entertainingly agile yet it cruised very quietly indeed on the autostrada at 75 mph, returning 30 mpg.

The 1300 is higher geared (19.8 mph per 1,000 rpm in fifth compared with the 1500's 17.8 mph), making it two seconds slower from 0-62 but even more economical. Lancia claim 43.3 mpg at a constant 56 mph, 31.4 mpg at a steady 75 mph. The 1300 is faster in fourth than fifth, which is a genuine, fuel-saving overdrive.

Both Deltas have a modified Fiat Strada engine. Lancia have squeezed an extra 10 horsepower out of both the 1300 and 1500 versions, which give 85 and 75 bhp respectively, and have considerably improved the gearshift.

The body styling, by the Ital Design studio, is best described as modern-conservative. Lancia assumes that buyers will probably keep their cars for several years and must also be anxious to avoid the need for costly facelifts. They think the Delta's clean angularity won't date and they are probably right. It looks, after all, very much like a four-door Volkswagen Scirocco. That was an Ital Design creation and still looks modish after over six years.

Saab, which will market the Delta as part of its range in Scandinavia, helped with the heating and ventilation system and with corrosion proofing, which is an understandably sensitive area with Lancia. The Delta has a six-year corrosion warranty, providing it is inspected and, if necessary, treated with protective chemicals at 23 and 42 months. Most of the main body panels are galvanised or made of pre-treated steel; the underside is PVC plastic sprayed and the front wheel arches have polythene guards.

Over and above the normal 12-month, unlimited mileage warranty, Delta buyers will get completely free routine servicing for the first two years or 24,000 miles. Even the oil, plugs and filters will be "on the house."

Much of Lancia's future success hangs on the Delta. At the time of its international launch last autumn, they said they expected to top 200,000 sales this year for the first time, mainly because they had the Delta. That was before the recession. Even so, the Delta should do very well. It's the kind of compact, refined and economical car that can ease the pain of having to "trade down" during hard times.

A convincing win for cruise control

IT IS game, set and match for cruise control. None of the readers who has written since I asked in June: "Is it always safe?" has shared my concern that doing away with the need to maintain a car's speed on the motorway might make a driver just that slight degree too relaxed for safety.

Both Mr. J. Barnes, of Marple, Cheshire, and his wife have been members of the Institute of Advanced Motorists for 23 years. Mrs. Barnes (like me) had an initial impression of slight of loss of control with the Econocruise device engaged.

But Mr. Barnes thinks it is of great advantage for motorway driving and cites an added benefit. "The fact that the right foot can be covering the brake pedal saves quite a few yards of braking distance compared to switching the foot from accelerator to brake."

And Mr. R. B. Peters, chief executive and secretary of the Institute of Advanced Motorists, wrote as a keen advocate of Econocruise speed control equipment. "It has reduced fatigue and brought about a fuel saving of at least 8 per cent on long journeys," he said.

There was no question that its use diminished the need for constant observation of the road ahead because, with a fixed throttle setting, one was continuously calculating the distance of the vehicle in front and what to do about the vehicle behind.

"If you are catching up with the vehicle in front you have to take a decision either to reduce speed or overtake, with all the necessary preparation that entails." If a vehicle was overtaking, one had to consider what to do about the situation and that involved either overriding the control, or cancelling it and reverting to manual. He thought, too, that cruise control was a valuable safeguard against exceeding the 40 mph or 50 mph limits on urban ring roads.

Econocruise was particularly valuable because it had a one-stage memory. Once set for 40 mph, for example, this speed would automatically be resumed after a brief halt at traffic lights.

What can I say except that I really must put my simmering prejudice on one side the next time I test a car with cruise control.

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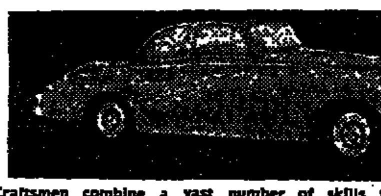

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The beast waited for the sound of skidding, tyre squealing, sharp braking, anything that would be music to his evil little ears.

But all he heard was the smooth sound of the beauty, still driving happily along, negotiating all the problems without so much as a care in the world. Little did he know about how much care had gone into the making of the beauty. Little did he know that the SAAB 900 GLS was renowned for its roadholding, handling and performance, its confident feeling of comfort and safety, whatever the unexpected conditions, whatever the weather. The sheer beauty of precision roadcraft.

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TRAVEL

At the end of the road to Rio

BY ANTONY THORNCROFT

THE ROAD to Rio, enjoyably pioneered over 30 years ago by Hope, Crosby and Lamour, and more recently given Papal prominence, should attract many more travellers in future. Until now British Caledonian has been able to take you to Brazil from Gatwick quickly and efficiently but, at just over £1,000 return, scarcely cheaply. There are hopes that the Brazilian Government will relax its controls over the pricing of air fares and Brazil will get more tourists. It is certainly ripe for holiday take-off.

Rio has to be the main attraction. Now that it is relieved of the responsibilities of being the capital—that is Brasilia, an architectural fantasy built 1,000 miles away in the heart of the country—or the chief money making centre—that is Sao Paulo, with a population in excess of 8m, dedicated to work and Mammon, Rio can relax. Its 5m people, known as "Cariocas," need little encouragement to take advantage of the city's outstanding situation. Rio clusters between the sea and the mountains, the sea edged by some of the finest beaches in the world (Copacabana, Ipanema), and the mountains, impressive volcanic plugs, adding drama to the scene.

It is tempting for the visitor to put aside social concern about some aspects of the Brazilian lifestyle and simply sit back and enjoy it. Reminders of internal stress are, however, constantly present.

The only way to get a true perspective of the indented city of Rio is from the top of one of the mountains, most naturally Corcovado which is well over 2,000 feet high and is reached by precipitous road or a tiny train through one of the few forests preserved in the heart of a great metropolis. The last stretch of the trip is by minibus over rough tracks but from the summit, there is Rio with all its bays and islands spread out below—and a giant figure of Christ, more than 120 feet high, towering still higher above. Alternatively, or best additionally, you can take two cable cars to the summit of Sugar Loaf, across Rio at the entrance to the bay.

With these bird's eye views Rio falls into place. On the ground there is some of the chaos you might expect from mixing Portuguese Europeans with the descendents of the imported African slaves, and the remnants of South American indians. The climate helps to promote a relaxed way of life—the winter months of June and July manage a pleasant 65 deg. F while in the January and February peaks the sea breezes keep down the humidity—but Rio does divide into very separate areas, joined by tunnels through the mountains.

On the edges of town and on the mountain sides huddle the "favela," the slums, often with populations of over 100,000. From a distance they look picturesque, but their residents have to deal with a bleak reality. Along the sea shore are the smart areas, Copacabana and its successor in prestige, Ipanema, where expensive apartment blocks stretch along beaches three miles long. Here you are in a sophisticated Mediterranean city, spiced up with tropical sights and smells. It can take over 30 minutes to get from Copacabana to the down town area of banks and businesses, and many visitors to Rio will hardly visit the commercial and cultural centre. But even here a beach is a few minutes walk away.

For all its size Rio is the place for a beach holiday above all else. The beaches are main thoroughfares with a steady stream of hawkers offering everything from cold beer to sun tan lotion to the Cariocas who somehow find time to spend a few hours each day lazing. A nice feature of the city is the absence of tourists: Rio is geared to its own people and the bars and smart shops, the restaurants offering stand-up "lanches" and the street markets selling every imaginable fruit and veg from cauliflowers to bread fruit, which crowd the narrow strip of Copacabana and Ipenema between the beach and the mountains, have a pace and style quite foreign to most fashionable international resorts which make their living making up to tourists.

There is an old part to Rio. Up on the hillside above the bay in the heart of the city where the Portuguese landed in 1567 are the districts of Santa Tereza and Gloria, huddling around an early 18th century church of the same name. An artistic colony has been attracted to the narrow alleys, precipitous slopes and colonial-style houses—and to the view across the park and beach of Flamengo, reclaimed this century from the sea.

On the two-mile strip of Flamengo are some of the best modern buildings in Rio such as the Museum of Modern Art and the unpretentious but charming museum devoted to the glamour of Carmen Miranda, a Rio heroine. Generally in the city old churches jostle with modern skyscrapers and sometimes the two are indistinguishable as in the new cathedral, built like a pyramid, seemingly without doors or windows, and looking like a chocolate whip made from Meccano.

Rio is a 24 hour a day city. The great passion, soccer, is played all night on pitches in the numerous parks, and the beach is never empty. The warmth of the evenings encourages the crowds out to enjoy a night life which is very much Brazilian. There is no sleazy strip of doubtful cinemas and clip joints: Rio takes its pleasures easily and openly. Apart from soccer the main preoccupation is the samba, culminating in the February carnival where for three days Rio becomes a non-stop dance.

The carnival is taken very seriously and is a competitive event, numerous samba schools throughout the city, all with their particular colours, devising the words and rhythms of a samba which they hope will gain first prize in the carnival procession. You, too, can perform for one of the clubs—if you show an interest with cash to make the costumes—and at weekends the clubs pulsate with enthusiasts keeping in trim for February under the eye of club officials looking for new talent. One of the best samba clubs is opposite the national theatre and opera house in the grandest square in Rio, Praca XV Novembre. Incongruously housed on the third floor of an ageing office block it is a happy, sweaty place where admission is under £1 and drinks and snacks are remarkably cheap.

The 120 ft high figure of Christ overlooking Rio

You will be encouraged to dance but the whole atmosphere is so relaxed that if you want to be stuffly British you will not be pestered.

There is little packaging of tourists in Rio but one trip suggested by many of the top hotels involves a day visiting one of the many islands to the south. A coach drive through banana plantations and small villages leads to a fishing village, lately occupied by canny old Ronald Biggs, where a schooner waits to chugg to an uninhabited island for a swim and lunch, including a few glasses of cachasa, the local speciality made from sugar cane and with the added attraction that anything, from fruit juice to gin, can be added for a quite superfluous extra punch. The whole day costs between $36-40.

Rio is different because it remains quite unmistakeably non-European despite all the refinements of luxury hotels, smart shops, and Mediterranean style. It has its own leisurely pace which blends the very new, such as car fuel made from alcohol sold on the promenade at Copacabana, with, a few yards away on the beach, the very old, burnt offerings presented at night to Macoomba, the gods of the voodoo religion which retain a hold on the lives of many Cariocas.

In a week I failed to meet one unpleasant Brazilian. The same relaxed casualness which prevents this richly endowed country from taking its obvious place as a world power has its compensations in an escapist atmosphere: what you are doing as a tourist the Brazilians have perfected as a way of life, although as far as creature comforts are concerned overseas visitors are much better off.

At the moment Brazil is a very cheap place. Devaluation of the cruzeiro means that a decent meal with some of the good local wine and even better cold beer costs £2 or less and a room at one of the luxury hotels, such as those run by the Othon group which has 10 hotels in Rio, ranges from a standard $38 per person a night at the luxury Othon Palace, towering 30-odd storeys above Copacabana beach, to $20 at the Castro el Ves, run by the same organisation and just one block back.

There are package tours to Brazil which considerably lower the cost. The British Caledonian subsidiary Blue Sky is perhaps the leading operator but Kuoni and Dellstar, a subsidiary of Varig, the Brazilian airline, are also active, and can offer two weeks in Rio from around £600 and upwards, staying at a very reasonable hotel. At carnival time the price jumps by almost £200.

HOTELS

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EXHIBITIONS

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BOOKS

Parisienne

BY ANTHONY CURTIS

Misia: The Life of Misia Sert
by Arthur Gold and Robert Fizdale.
Macmillan. £10 00, 338 pages

Misia Sert must have been the inspiration of more paintings than any other woman of fashion in Paris around the turn of the century. There are ravishing studies of her by Renoir, Vuillard, Vallotton, Bonnard, and Toulouse-Lautrec, generously reproduced over 16 pages of colour plates in this book.

She was a long hour-glass of a woman with hair that glinted like burnished brass when piled high. Renoir makes her white neckline glow serenely. Lautrec hints at the ruthless singleness of purpose around the mouth. Bonnard shows her brooding Récamier-like in a medley of clashing reds spreadeagled across an ottoman. Vuillard discerns a vegetable stillness in her either in some intimate domestic interior, or against a mass of foliage on the hottest of summer days. In whichever of these aspects you beheld her Misia must have been memorable to meet.

Jean Cocteau said that pleasure was a duty to her and that like a virtuoso at the piano—Misia did have some talent in this direction—she played life as if it were a keyboard, producing dazzling execution from the most mediocre melodies. He made her the heroine of his novel of the first world war. *Thomas L'Imposteur* where she runs her own ambulance unit and goes to the Front eagerly as if to the first night of a new ballet. Proust, who was never an intimate but attended her dinner-parties, used the fantastic side of her nature for the Princesse Yourbeletieff and the more practical, power-seeking traits for Madame Verdurin.

Nor were the musicians immune to her charms. As young Marie Godebska of Polish extraction, brought up in Paris, she delighted Liszt and Fauré. Later she was to be the confidante of Diaghilev, the friend of the young Stravinsky (whom she supported financially) and Satie who described her as a magician.

Her greatest talent seems to have been to discover talent in others. Diaghilev really did respect her taste and judgment in musical matters as well as relying on her heavily to fund his creations. In her lifetime she was an inexhaustible well-spring of gossip and it is largely of gossip that this biography by two concert pianists who also write about food in Vogue is composed.

At no point is there any obvious dearth of material. Misia's first husband Thadée Natanson was the founder, and editor of La Revue Blanche. While married to him she moved in a circle of poets and critics as a kind of mother-goddess of the symbolist intelligentsia, enjoying what was probably her best period.

Suddenly it is as if Sardou had taken over her story. Thadée gives up journalism and goes off to run a mine in Poland at the behest of a vulgar opulent man of finance, Alfred Edwards, who pursues Misia indefatigably. Thadée is declared a bankrupt and Misia becomes Mme. Edwards. In a very short while her husband has found a new mistress, a young actress of ambidextrous talents who makes *an outrageous proposal* to Misia. Misia divorces Edwards and he dies of that terrible 'flu that swept post-war Europe, and later helped to kill Cocteau's young friend of genius, Raymond Radiguet.

Misia was on to him too needless to say, and she went to his funeral, a very grand affair, with her friend Coco Chanel, who had arranged the flowers for it. Misia had by this time *married the Spanish painter* José-Maria Sert. By now she was the *eminence rose* of the Ballets Russes. After that she and Chanel began to take drugs.

I could continue in this vein but recommend you read the book yourself. I confess to finding it really rather enjoyable.

Misia as a young girl by Bonnard

Oil lands in turmoil

BY RICHARD JOHNS

Arabia, the Gulf and the West: A critical view of the Arabs and their oil policy
by J. B. Kelly. Weidenfeld and Nicolson, £15.00. 530 pages

Dr. J. B. Kelly is not alone in regretting the not-so-distant days when the oil supply lines from the Gulf seemed assured by a Pax Britannica nor in lamenting the sequence of events leading to present unstable exposure to Soviet expansionism. But he is fairly exceptional in the fierceness of his intellectual conviction that the dismal drift could have been prevented by an aggressive policy by the West that he does not define but clearly relates to gunboat diplomacy of a Palmerstonian kind or the Clausewitz-like military muscle. At the same time, he casually and fleetingly brushes aside the question whether or not the Israeli and Palestinian question might have anything to do with the crisis, let alone be an essential issue of it. The Israeli State merits reference on only 14 of 500 pages.

New Zealand-born Dr. Kelly shows himself more traditional than the most nostalgic Briton with an almost archaic 19th-century vision. That has long served him well in his perception of the Marxist menace. But it is tinged with a glaze more akin to the days of the Crusades. From beneath his vitriolic, somewhat Macaulayesque prose seems to emerge *a great distaste and contempt* for the people of the region, both Arab and Iranian. Dressed up in academic respectability, his polemic is confrontational, a strange manifestation of latter-day "orientalism."

The author is no less vindictive in castigating Western countries to allow their interests to be threatened by what he sees as dark forces—with the Soviet Union only slightly more so than Islam and Arabism. The contortions of Britain's policy in the South Arabian Federation were unedifying and its departure from Aden was indeed less than dignified.

What Dr. Kelly seems to ignore is what even Tories to the right of centre realised—that Britain's will to remain a colonial power had run down and the Pax Britannica in the region had already began to look a brittle thing as its powers to do so declined. Dr. Kelly's thesis, such as it is, implies the "rot" began with Aden in 1967 when in reality it went back to President Nasser's seizure of the Suez Canal in 1967.

Dr. Kelly's main substantive involvement in the region was advising Sheikh Zayid, Ruler of Abu Dhabi, in the latter's attempts to persuade him to compromise over Saudi Arabia's territorial independence. Here he is at his most venomous about the Foreign Office whose approach, he says, "smacked of the methods of the bazaar." The Kingdom's designs were sinister in nature and unjustified in any way by the pseudo-historical claims trumped up. Dr. Kelly has hardly a good word for him or any of the "Sorcerers' Apprentices" as he describes the Rulers of what is now the United Arab Emirates.

He is equally contemptuous of the problems of the societies and ruling families of Kuwait, Bahrain and Qatar. Typical of *an attitude that would have* done no credit to a colonial administrator are the slant of his remarks about how the introduction of education in Bahrain in the 1920s, a praiseworthy achievement, had merely created revolutionary potential. He is surprisingly uninformative about the problems of the Shi'ites of the Gulf, one of the biggest potential sources of an upheaval. Does that betray a genuine lack of understanding and interest in Islam, as well as lack of sympathy for it?

About Iran, he is wise with hindsight about the folly of the U.S. and Britain encouraging the Shah to puff himself up as the gendarme of the region by selling him sophisticated expensive weapoury that his people would prove incapable of maintaining or using, but contributes no insights into the fall of the big domino of the Gulf. But the major local villain of his piece, Iraq, is cursorily, described as a dutiful client of the Soviet Union, a projection that was never valid and over the past year has become a complete distortion. Predictably, only Oman wins any approval from the author.

Dr. Kelly's most powerful venom is saved for Saudi Arabia, his old foe in the frontier dispute, whose ruling family are universally depicted as plundering and untrustworthy bedouin. He notes that "truth-seekers" are generally not welcomed by the authorities in the Kingdom. True enough but the implication that he has not been there seems confirmed by his reference to "the sophisticated delights of Riyadh and Dahran." certainly unnoticed by other scholarly and journalistic travellers over the past decade or so.

The omission would hardly *condone his gross-estimate that* Saudi (private) as opposed to state investment may now amount to \$50bn. Very relevantly he questions the economic and social viability of the industrial development planned by the Kingdom, where he says, the cost of constructing a project are three or four times more than in the West—compared with the 25-50 per cent estimated by experts.

Saudi Arabia's efforts to restrain oil price increases in 1977-78 are said to have been motivated only by pecuniary greed—a gross distortion, if not a travesty of the facts. No positive suggestion is made how to solve the grave political and social problems on which the West depends so heavily for its energy.

Dr. Kelly charts the course of the Organisation of Petroleum Exporting Countries' assertion of its power and the Arab oil embargo of 1973. Condemning the Western world for its pusillanimity in believing in those "hob-goblins, 'the energy gap' and 'the oil shortage'." Exaggerating the intrusion of regional politics and showing little understanding of OPEC's real nature, he attributes the whole process "largely to the enduring and deep-seated resentment felt by the Moslem states for the Christian West." That leads to the sweeping but unqualified generalisation to the effect:

> "If Israel had never existed, some pretext or other would have been made by the Arabs to bring the Soviet Union into the Middle East."

The majority of observers, at least, objectively believe otherwise in the continued absence of colonial regimes in the region and also see Islam as basically opposed to Marxism. So, too, confusingly does Dr. Kelly at one point of his narrative. Commenting on the Soviet Union's undoubted domination over South Yemen he makes fleeting reference to the nature of Islam acknowledging that "against this rock the windy pronouncements from [the Communist regime in] Aden beat in vain." The polemic is badly flawed.

First master of chic

BY LUCINDA WETHERALL

Worth: Father of Haute Couture
By Diana de Marly. Elm Tree Books. £12.50. 210 pages

Diana de Marly tells of Worth's trials in becoming the father of *haute couture*.

Worth was not short of problems. He was born into a poor family in Lincolnshire and had little formal education. At the age of 11 he became an apprentice to a draper, making ladies Easter bonnets in his spare time until he saved up barely enough money to cross the Channel to France. It was a seemingly impossible task to get established there for 1848 was the year of revolutions and the deposition of King Louis-Philippe. Clothes were modest and subdued and the prospect of setting up a fashion house in Paris looked bleak. Worth continued to experiment, invent and persevere, although he was often tempted to return home to England.

When Emperor Napoleon III came to power he transformed Paris dramatically from a depressed and miltant town into a glittering metropolis. Colourful balls, court receptions, grand dinner parties became popular encouraging women in the upper reaches of society to become fashion-conscious.

It was then that the Empress of France discovered Monsieur Worth and chose him to be her couturier. His genius, imagination and insight into clients' needs attracted noble custom from all over the world. He dictated the fashion, introducing wide skirts, high waistlines and Lyon brocade to debutantes and noble ladies.

As a caterpillar turns into a butterfly, M. Worth turned from a mere textile salesman into the grand doyen of haute couture. Diana de Marly tells his story in lively form.

Fiction

On the ropes

BY MARTIN SEYMOUR-SMITH

Vision Quest
by Terry Davis. Chatto and Windus. £5.95. 197 pages

The Education of Don Juan
by Robin Hardy. Macmillan. £6.95. 482 pages

Mulligan Stew
by Gilbert Sorrentino. Marion Boyars. £7.95. 446 pages

Abracadabra!
by Wolf Mankowitz. Macmillan. £5 95. 165 pages

Terry Davis is a 33-year-old American who was once a High *School wrestler; since then he* has taken up a post as a teacher of creative writing (which must be, on his own account, rather less arduous). In his first novel, *Vision Quest*, he has drawn on the experiences of his late adolescence, to give us a vivid first-person account of the tribulations of a High School wrestler called Louden Swain. This probably won't attain the vogue status of *The Catcher in the Rye*—the comparison is irresistible—because Salinger's book was published at just the right time; but it may well be a better book about growing-up, and may therefore last as long or even longer. I for one think it should.

The author writes in a spare, simple prose, without affectation: and he keeps to his main themes: the fact that poor Swain has to shed six or seven pounds in order to make the weight for his match, his first love for a girl—and his progress into adulthood. This last is seen, through his own narrative, as an inevitable consequence of the work he is doing, and of the love he is feeling.

The real triumph of the book is the account Swain gives of his almost impossible efforts to get down to 147 pounds. This involves him in much suffering and hunger, and forces him to stick to a repulsively monotonous diet. This struggle, between weakness and strength—but Swain must be strong enough to fight even after he has submitted himself to a terribly weakening process—is the real key to the book. Its lucidity is what will attract many readers: Terry Davis eschews convolutions and over-subtleties in the interest of a straightforward record of the difficulties of growing up, and his choice of a competitive sport adds to, rather than detracts from, the value of a powerful and exquisitely positive novel.

The Education of Don Juan is the history of between-wars Europe told through the medium of a modern Don Juan. Real people such as Nancy Cunard and Malraux are brought in, and the history is nominally true. But this is not a serious book, although it is intended to be. Rather, it is pretentious: a product of an intelligent and systematising rather than a truly imaginative mind.

First, the Don Juan of Robin Hardy is a far too syncretic figure. He shows signs of having studied the original legend of Don Juan—which has its roots in history—but chooses to make his central character into a series of not very consistent variations on Mozart's Don Giovanni. To do what he wanted to do, he would have had to examine the legend as a whole, and to see and demonstrate its nature—a chief feature of which is Don Juan's hatred of women. Here Hardy fails dismally. This is a brave try, but is only readable in parts, and is far too long. Doubtless a screen version would be exceedingly watchable, if not very profound.

Someone in America has said that Gilbert Sorrentino's *Mulligan Stew* is "flawlessly organised." This worries me about the state of American reviewing, for the truth is that it isn't organised at all. Sorrentino, known hitherto more for his verse than for his fiction (his two other novels appeared as by Raymond Holmes—*The Winter of the Time*, 1949—and John Holmes—*On Target*, 1973) is one of those American writers (he was born in 1929) who says exactly what he likes without reference to form or structure or—I am tempted to add—sense. His critics have had to talk about him rather than about his writings, since these are not markedly coherent. "I am sick of myself" he has written in a poem. I am afraid that I got sick of this long, zany, over-self-consciously "mad" novel, which the English publisher calls an "incredible tour de force." That choice of words points, for me, to the novel's failure at any level.

Mulligan Stew tells of Anthony Lamont, a modernist novelist who is trying to write a murder story which will fulfil the requirements of modernism, of which the author has no very clear notion. His life disintegrates—to the extent that he was himself ever at all integrated—and his novel becomes crazy and of course increasingly erotic.

Abracadabra! is one of Wolf Mankowitz's better black/white/Jewish comedies. A very old man dreams, in 2013, about his childhood in 1939. The tale is a mix of East End life and alchemy, and is held together only by the author's verve—he is better in the realistic than in the "magical" vein. The book is wildly vulgar, but this does not seem to matter: vulgarity in Mankowitz is only *chutzpah*, after all. . . . This is not only a good, but also a fairly superior, read. The author's linguistic vitality, which has often failed him, has to a large extent "come good" in this extravaganza.

Terry Davis: ex-wrestler turned writer

After the cloth cap

BY KATE MORRISON

Trade Unionism
by Rex Winsbury. Hamish Hamilton, £4.95, 96 pages

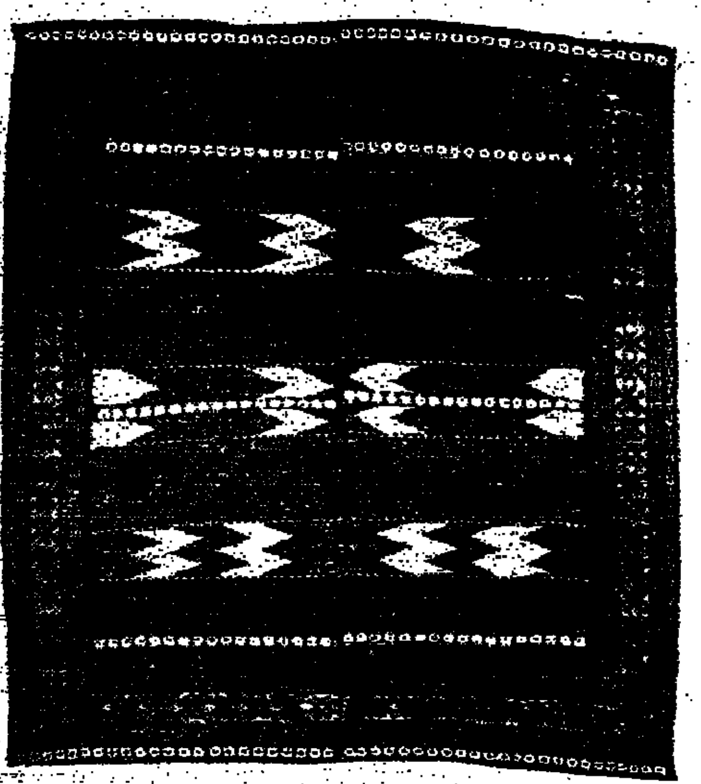
Half of Britain's working population of 22½m belong to the trades unions. As Rex Winsbury points out, the unions have become "a fact of contemporary life." Here is something for the latest batch of school-leavers to ponder, for many a job goes hand-in-hand with union membership. Clearly the book's greatest appeal will be to those in this age bracket. It is part of a series of books for the young on People and Politics.

A cool appraisal is given of the contradictory views surrounding this subject. The author examines the grey areas that exist between two extremes of attitude to the unions. On one hand the despondent view that the present structure is an anachronism; on the other, a more radical view that capital should be put at the command of labour.

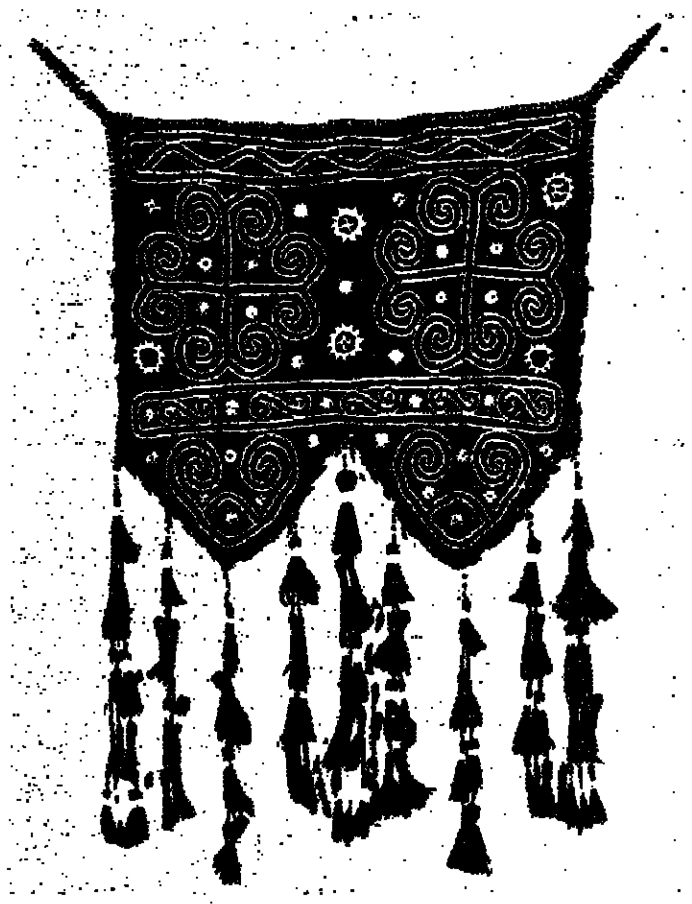
The book is presented on two levels, past and present, the author believes that understanding of the state of trades unions today is dependent on a knowledge of their 150 years of history. Evocative pictures of cloth-capped labourers and downtrodden miners remind us that theirs was an heroic achievement bravely won. The heroism has now gone but the battling instinct has not. Lewis Carroll's restless Red Queen seems to reflect the common union attitude for more in its battle against inflation: "Now, *here* you see, it takes all the running *you* can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that." Mr. Winsbury puts it all adroitly into perspective.

HOW TO SPEND IT

by Lucia van der Post



A Belouch kelim used by nomads, £285 from the Rug Shop



Also from the Rug Shop is this appliqued felt Kuchi bread bag, £75

On the mat

NO single item does more for a room, in my view, than flooring. Once the floor looks good, the room looks almost furnished. Most decorative of all are really good rugs. Fine Oriental rugs have been rising fast in price for many years and though I don't have the precise statistics to hand I know that a good Oriental rug has well outstripped most shares in capital appreciation in the past few years. The unrest in two of the main countries of origin, Iran and Afghanistan, hasn't helped the situation and as supplies become more erratic prices aren't likely to go down.

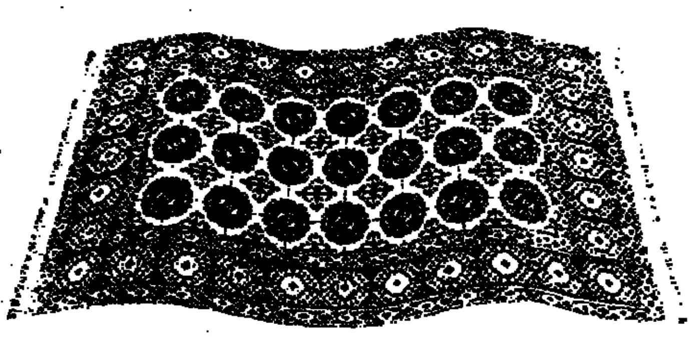
The Rug Shop, at 10, Eccleston Street, London, SW1, has garnered together a unique collection of treasures all of which had been collected over the years by leading families in Afghanistan and all of which have been brought out of the country in the wake of the Soviet invasion. Many of the rugs on sale are exceedingly beautiful and will become increasingly rare—there are rugs, kelims, saddle bags, horse blankets, camel trappings, donkey decorations, Kuchi tribal bags and domestic textiles of all sorts.

Though the really rare and special things are to be found in the exhibition, which will run until August 1, the shop always has a good selection of kelims from Turkey, Iran and the Caucasus, as well as horse blankets, donkey saddles and cushions of all sizes made from small pieces of kelim. Shown photographed above left and right are two pieces from the exhibition.

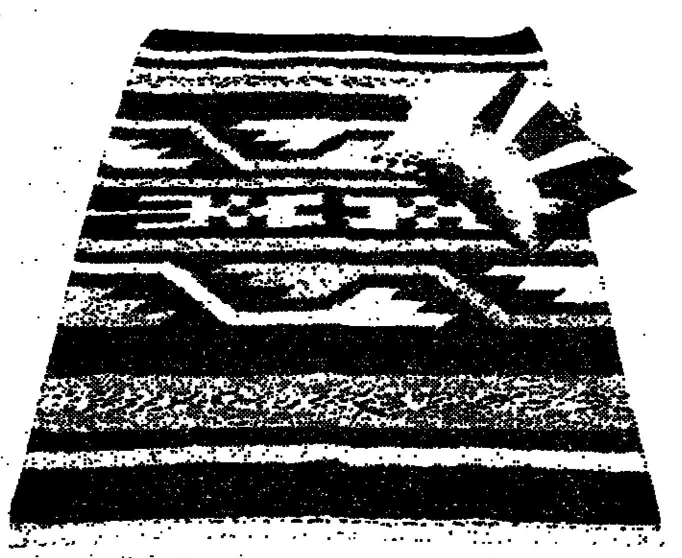
Nothing like so rare, so authentic or so ultimately pleasing as the real thing but nonetheless extremely good value is the new Shava collection of modern rugs on an Oriental theme from the John Lewis shops; see photograph middle right. All the designs are based on old Caucasian themes and to give them the soft look that all the nicest old rugs have they have been put through a special washing process. There are 15 designs and all are made from 100 per cent wool on Axminster looms in England. There are only two sizes in each design 2 ft 3 ins by 4 ft 6 ins and 4 ft 6 ins by 6 ft 6 ins. The smaller size is £35, the larger £105.

Nice Irma's of 46, Goodge Street, W1, is a good source of inexpensive decorative covering for the floor. It has a good selection of heavyweight hand woven druggets and for those who live out of London the shop will happily post or send by carriage any of the items.

The rugs are made from 80 per cent wool, 20 per cent cotton and there are two basic designs—striped and Aztec. In sizes 4 ft by 6 ft the striped are £18, the Aztec, £20. The larger size of 6 ft 9 ins is £30.50 for the striped version and £85 for the Aztec. Even cheaper are Nice Irma's striped cotton durries in lots of colourways at £6.50.



Modern but specially washed to look mellow, £35 from John Lewis



Handwoven drugget in Aztec pattern from Nice Irma's, £35

As safe as houses?

I HAVE become somewhat security conscious since my hotel room in Madrid was burgled during a 20-minute absence one day (very nasty, whoever it was took air-ticket, all money and all credit cards and if my kind hosts hadn't bailed me out I don't know how I would have got home). There's not too much one can do about that kind of experience (except never, ever leave your money and credit cards in your hotel room) but you can do something about protecting your home.

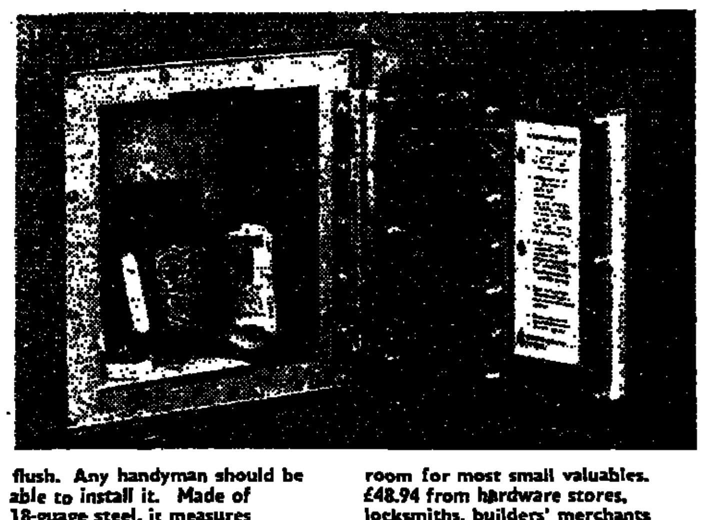
The statistics nowadays are terrifying. Our neighbours were burgled one bright, sunny afternoon recently (one of the few) and discovered that that day in our area of London there had been 14 burglaries and since the beginning of the year there had been over 1,400 altogether. Apparently one in six London homes is burgled annually and one in 12 is burgled twice annually.

You can, of course, go in for a complete security system and I have written about these from time to time in the past. If you are interested in one of these you can call in firms of experts to advise you and the police are always only too happy to help householders devise a system that will best suit them.

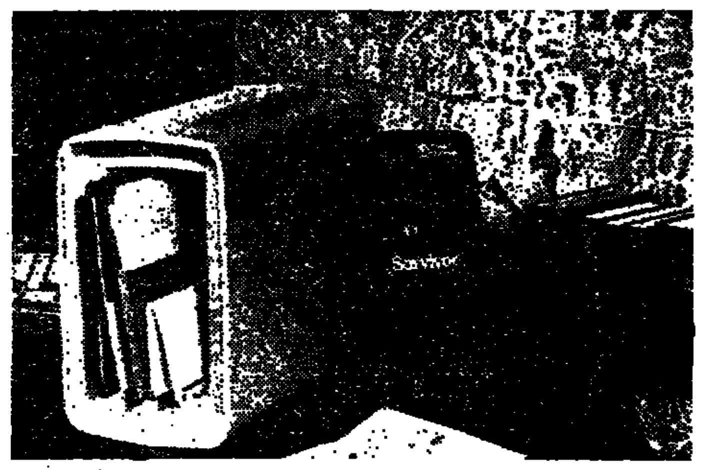
However, almost all the experts seem agreed that there is very little you can do to prevent the really determined burglar from entering your home. What you can do is to take measures to protect the things that really matter most to you. This week I've decided to look at a few of the smaller devices that might be the answer to some of the problems.

A good, sturdy padlock is not always easy to find. Photographed left is a very stylish high security lock by Bramah Security Equipment which won a Design Council Award earlier in the year. Though it may not look very revolutionary it does signify a departure from tradition in that it is cylindrical in shape and is made from stainless steel rather than brass. Though the Design Council particularly praised its sculptural shape it is immensely strong and secure as well. It can be found at most locksmiths and costs £24.66 (and is supplied with two keys) but those who have difficulty finding it locally should contact Bramah Security Equipment, 31 Oldbury Place, London W1.

Photographed right is a wall safe, called the Crado Hideaway which has a combination lock and can be installed in wall or floor or even in a piece of furniture. All the knobs on the lid are recessed so that the surface is flush. Any handyman should be able to install it. Made of 18-guage steel, it measures internally about 9 ins by 9 ins by 4 ins, which should give enough room for most small valuables. £48.94 from hardware stores, locksmiths, builders' merchants or write to Crado Devices, Bluebell Wood, Billericay, Essex.



Jan Wheeler



I was in two minds as to whether it was wise to feature these extraordinary devices from America but decided that if people didn't get to know about them they couldn't actually buy them and hopefully our readership profile doesn't include too many of the wrong sort of people.

Sylvia of 25 Beauchamp Place, London SW3, sells these marvellously authentic looking cans that actually are storage jars—into them you put your jewellery, your precious bits and pieces and leave them lying nonchalantly in the fridge or in the corner of a room, looking for all the world just like cans of motor oil, Coke or beer. Not only a good idea to keep in the house but also to take when picknicking and swimming for holding watches, rings and the like. The larger tins are just over 5½ ins tall and cost £8.95, the smaller ones are 4½ ins and cost £5.95. Sylvia will post either for 95 p —p extra. She hopes readers won't be too fussy about which can they order—stocks in general are plentiful but she can't always guarantee a particular model.

Not so much a burglar-deterrent—more of a safety-deposit for all those documents like birth certificates, share certificates, wills and the like that you would be lost without.

The Crado Survivor is called the Survivor for the obvious reason that it is almost totally fire-resistant. It measures about 13 ins by 8 ins by 17½ ins deep and can be lifted easily by one person and carried from place to place. It weighs only about 35 lb and is said to be as fire-resistant as two feet of solid concrete. When tested in a furnace at temperatures reaching up to 1700 deg. F. the interior of the Survivor still remained at levels well below the charring point of paper. The internal measurement of the box are 9¾ ins by 4½ ins by 12¾ ins and it should store most of the really precious documents that most families own. It isn't cheap but at £59.80 it could save you a great deal of money in the long run.

Find it in most large stationers and hardware stores but if you have difficulty finding a stockist write to Crado Devices, Bluebell Wood, Billericay, Essex.

How To £arn It

Most of the year this page is concerned with different ways of spending money—from the small and practical buys to the sometimes frankly luxurious. What I hope to do is to offer something for everybody, to deal in anything and everything of interest, whether it be as small as a new ballpoint pen or as special as a once-in-a-lifetime present. However, times are hard for many and it seemed a good moment to look at HOW TO EARN IT. This week, therefore, SALLY WATTS starts the first of a four-part series designed to help those women who have, for various reasons, been out of the employment market for some time but who now feel they would like to know ways and means of earning something for themselves. . . .

Taking the plunge

IF YOU are one of the many wives and mothers who would like to earn money in order to compete with rising prices, do not be put off by the unemployment figures. There are plenty of ways to earn, besides being on a company's payroll. But if a staff job is what you prefer, remember that technology could be the key.

First, take stock of your aims, needs and interests. What are your family commitments? Do they allow you to work more or less full time, or for only a few hours a week? Do you have any qualifications, training or skills? (Include rusty skills, as these can usually be brought up to date.) Could you use the things you have learned as a housewife and a mother?

Decide, too, whether your aims are long term or short term. If the former, you may want to study for a degree or some qualification that will secure you a job in a particular business or profession. More immediately, there are various short courses, of about six months, in practical subjects like catering.

In both cases, contact your local education office, polytechnic and colleges of further education, to find out which courses could help you. For practical subjects such as shorthand typing, audio-typing, computer programming and for management training, ask also at your nearest Jobcentre for details of TOPS (Training Opportunities Scheme) courses. You may discover at a local college or poly one of the short courses aimed at married women returners probably costing only a few pounds; these give information about opportunities, training and re-training and help students (of any age from the 20s to late 50s) to assess their potential, as well as being confidence boosters.

A pre-degree course was held last term at the Middlesex Polytechnic in London to give people an introduction to study skills and help them decide if study was right for them.

Mrs. Stella Rosenak, the course tutor, realises that many housebound women have not had a change of routine for years, and saw this part-time, six-week course, which cost £20, as a way to get them out of the home, encourage them to look around, relax and become more confident. A similar course, with the introduction of seminar groups, is planned for next May and early enrolment is advised. At the beginning of October the Poly will hold a lunchtime and evening course covering what they have chosen to call, respectively, Wedlocked Women and History from Women's Perspective. Don't be put off by the titles—the courses are good ice-breakers for those wanting to return to work.

Back now to technology, which provides the skills that employers will look for in the 1980s. "So desert the traditional female role and venture into the male one," advises careers expert Ruth Miller. If you apply for a TOPS course, look beyond the usual subjects for women, she urges, and you may find it a lot easier to re-enter the job market. And if you trained in something like occupational therapy, do not pin your hopes on returning, as there is so much competition from younger people.

Instead, get an O-level in maths at evening classes, or see if your local polytechnic runs a poly-maths course for beginners. If you are numerate your foot is on the first rung, and you can follow up with a short course in motor mechanics, micro-electronics, computer programming and so on.

One indication of the move to technology is that Hillcroft College in Surbiton, Surrey, long noted for its liberal study courses for women, now believes it is time to break new ground and plans to start a two-year technological course in September, 1981. The idea is that it will be full-time, include maths, computer studies, basic science and technology; and be open to day and residential students, funded by their local authority. Don't worry about qualifications, the college will give a basic aptitude test.

Remember the Open University requires no qualifications. The Faculty of Technology offers a wide selection of subjects like telecommunications, systems behaviour, systems management. These courses are organised on a modular basis and it can take years to build up the credits for a degree. It also has one-year courses, useful to people who trained some while ago and want to return to work, such as social workers and teachers. Enrol through your local region by October 1.

A great help for anyone considering a return to work is the *Penguin Careers Guide for Women and Men* by Ruth Miller. It costs £1.95, and each career includes a section for late starters, plus advice to people coming back after a break. Remember, you don't know what you can do until you try, and then you may surprise everyone—even yourself!

Next week: Making Your Hobby Pay.

ARTS

Holiday foursome

BY ANTHONY CURTIS

William Trevor handles radio drama with the same easy assurance he brings to novel-writing and short stories. His new play broadcast this week. *Beyond the Pale* (Radio 3. July 8) was, like his previous one *Attracta*, about Ireland and its two faces, the idyllic and the tragic.

Mr. Trevor's way of approaching the tragedy is by close observation of ordinary lives. He leads us through the crack in the teacup that leads to the land of the dead. For the first 20 minutes or so of this new radio play, set in Glencorn Lodge on the Antrim Coast, one might have thought we had here a high-grade comedy. The Lodge is an efficiently run country house hotel whose beautiful lawns run down to the sea and whose loyal guests return year after year for a complete rest. The attentive couple who own the place the Malseeds (Michael Spice and Penelope Lee) minister discreetly to your slightest needs and the chef makes an excellent lobster bisque. A bridge four from Leatherhead, the Strafes (Maurice Denham and Sylvia Coleridge), Dekko (Jonathan Scott), an ageing bachelor, and Milly (Prunella Scales), a widow have been staying at the Lodge regularly in June for two weeks for some years.

Their holiday pursues its normal course save for the presence of a rough-looking fellow in the lounge whom Malseed assures them was a last-minute overnight booking on the 'phone and will be leaving the next day. He turns out to have known the house as a child, and to have discovered his childhood sweetheart has become a manufacturer of bombs for the IRA. He interrupts Mrs. Strafe's reading to tell her his life story, then he jumps off the rocks into the sea to drown.

Here was a radio drama that revealed how the medium may be used with both economy and resourcefulness. Mr. Trevor was sparing in the use of sound-effects. He merely cross-cut occasionally from the trivial leisured chatter in the hotel lounge and bedrooms to the hiss of the sea overlaid by children's voices and gunshot, underscoring the fact that this place had a past, that it authentically was a part of Ireland with an uncontrollable element ready to destroy the innocent calm.

Gradually uneasiness broke into the reassuring tones of the narrator, the widow of the party (Prunella Scales) and who, it casually emerged was Strafe's mistress. The two men were at school together and as was clear from their constant stream of anecdote had never got over it. But after the unfortunate incident has occurred the main burden fell upon Strafe's wife whose own sufferings and sense of history made her an instinctive source of attraction (like the woman-teacher Attracta in Mr. Trevor's previous play) to the stranger. Sylvia Collereidge uttered her Cassandra-like ravings in a voice as rich with doom as the sea, shattering the fragile holiday alliance.

I once had the privilege of meeting Ivy Compton-Burnett. It was just before one of her novels had been performed on the West End stage. "Do you think it must have been difficult to turn one of your novels into a play?" I asked. "Not in the least," she replied, "it's all done for you." I intend no disparagement of Priscilla Allen, who dramatised *A Father and his Fate* (Radio 4 UK, July 7), when I say that listening to it I think I saw what Dame Ivy meant. Even the improbable Greek tragedy elements in her plotting can be turned to advantage on radio where you cannot see the faces of the actors as they recount them. Here we learn that a wife presumed drowned, whose husband plans to marry his nephew's girl, has returned from the dead in the nick of time. Of all Dame Ivy's tyrannical Edwardian papas, Miles Mowbray must be the most outrageous. Joss Ackland's bravura performance brought out the key to the man, his gift for dramatising himself, enabling him to come back irrepressibly in a new role after each fresh crisis. His guilt is unfolded by the author with the deftness of a trained nurse disclosing a mortal wound. Skilled radio performers like Elizabeth Spriggs, Maureen O'Brien, Petra Markham and Brian Carroll wrung the last ounce of delicious, bitchy nuance fom the formal dialogue in John Cardy's production.

Thursday's Afternoon Theatre on Radio 4 *The Pot of Gold* revived a comedy by Plautus in a breezy modern version by Martyn Wade. The strength of a wealthy man's attachment to his money remains as good a laugh now as then. Nigel Stock, the Roman miser, led the rout with pantomime zeal. A pleasant change.

Nijinsky and Darsarina in Spectre de la Rose by Robert Montenegro 1910

Erté

BY WILLIAM PACKER

The fields of what we might call the related fine arts, that is to say illustration in its several aspects, and its allies in the worlds of theatre and fashion, lay neglected for so long that the present enthusiasm for their rediscovery is hardly surprising. The explanation for that comparitive neglect is simple enough, for by its very nature so much of the primary material tends to suffer in some way, qualified by the actual processes of use and reproduction, discarded, rescued illicitly if rescued at all, probably destroyed. Even today the artist who requires the return of his Art Work is by no means the rule: which is a great pity, for as a direct consequence a great many very beautiful and remarkable things are lost to us—hence the present enthusiasm for what does survive.

Charles Spencer is a proper and splendid rescuer, and his particular researches into the work of Erté and Bakst have proved of real and pioneering importance. Both artists worked with the Ballets Russes in the years before the Great War (and Erté's extraordinary career still continues, his latest designs gracing the new production of Rosenkavalier at Glyndebourne) in the Paris of Diaghilev, Picasso, Poiret; and Spencear's latest exercise (at the Dowmunt Gallery, 7, Old Bond Street until July 26) is to establish something of the flavour of these times, in particular to set Erté in the context of his less well-known, but equally talented contemporaries. Thus he shows us choice items by George Lepape—frustratingly few of them, by Benito, Mary, et alios all conspicious quite as much for their charm and period interest as for their technical excellence. Not everything is of great weight, many things frankly slight—but the quality of the most stylish professionalism shines through.

Festival at Tours

BY DAVID MURRAY

The 17th "Fêtes Musicales en Touraine" concluded last weekend with the appearance of Sviatoslav Richter, the presiding spirit of the affair since its inception. It is an annual two-weekend affair — concerts from Friday to Sunday, only in the evenings this past weekend, leaving the visitor exposed to daytime seduction by the nearby châteaux of the Loire. (And the Vienne, and the Cher, and the Indre: all within an hour or two's drive.) The festival itself, unlike many another, is not principally for visitors; the Tourangeaux are much involved with it. The concerts take place in a 13th-century barn— the Grange de Meslay, at once imposing and rustic—a few miles north of Tours on the Chartres road. The setting ensures a certain informality: as Richter began a Beethoven Adagio, a bird joined him full-throatedly from the eaves.

The effect, then, is Glyndebourne-with-a-difference. No visible bats, for one thing; everything starts at least a quarter-hour late, this being France; and although there is orderly parking in a meadow, the competitive haste to get away at the end entails much crashing of fenders. Dinner before the concert is presupposed, and at the Grange coffee comes only from a machine utterly concealed beneath a large, dark bush. Inside the Grange, huge and half-lit, the platform is a lighted promontory in the middle of one side. Two giant roof-supports pierce it. On Friday and Saturday the winds of the Chamber Orchestra of the Budapest Academy of Music were arranged behind them, to some disadvantage.

The young Budapest players proved in any case to be unemphatic performers: technically sound, plainly musical but curiously reluctant to admit any personal accents in their music. The interest of their concerts lay chiefly with their successive conductors and their soloists. On Friday, under their regular conductor Albert Simon (Hungarian, not French), they addressed themselves to Mozart's 33rd Symphony with listless rectitude, and in Hummel's E-flat Trumpet Concerto supplied a decorous background for their compatriot Pal Petz, a strikingly lyrical trumpeter. Bartok's Divertimento for Strings drew a bolder attack from them, led by a first lady violinist—there was but a single male in her section—with an enviably big, confident tone. Even there, the thrust of the performance was restrained; the "Hungarian snap" in the tunes was invariably flattened out—and that is not a mere tourist expectation, for impeccably canonical Bartok playing has established it.

On Saturday the baton passed to Aviva Einhorn, a prizewinning young Frenchwomen who elicited more expressive commitment from the orchestra in Wagner and Mendelssohn. In its original chamber version, lovely to hear, the *Siegfried Idyll* needed more sonorous authority from the leader, this night the lone male first violin, a gentle soul. There was accomplished grace and even verve in the "Italian" Symphony, but Michel Portal—best known for his services to contemporary music—stole the evening with the clarinet concerto of Mozart: the bated-breath sensitivity he displayed, imaginatively intense in every detail, put one in mind of our Neil Black's exquisite, deliquescent manner in the oboe concerto.

Tence to Richter on Sunday, with a programme unannounced until that night. He has cancelled London and Paris performances this season, but evidently remains loyal to Tours. He settled upon two Beethoven sonatas—op. 10 No. 2 and op. 31 No. 2—and Schumann's C major Fantasy. Richter's favoured Yamaha piano was not flattered by the spacious depths of the Grange, but the instrument renders the execution quite transparent, and the earlier sonata in F fairly hummed with interpretative life. The D minor sonata had all its ambiguous emotional breadth marked out in black and white, with magisterial austerity.

Schumann's Fantasy is currently in the forefront of the repertoire, by one of the familiar turns of fashion, and subjectedto many a heartfelt deformation. It was marvellous to have Richter's confirmation that the opening movement really can soar passionately, and yet turn aside for tremulous whispers; that the *alla Marcia* can contain both towering exuberance and intimate warmth; that the final nocturne brings a radiant transforamtion. Again in his encores he offered Schumann's "Aufschwung" and Chopin's E minor study brilliantly within strict stylistic limits, and a grave bow to his audience with the "Canope" of Debussy, made potently suggestive with the simplest means. No festival could want a better genie.

British Art 1940-80

Over 400 works, including sculpture, paintings, drawings, prints and photographs make up the exhibition *British Art 1940-80* which has opened at the Hayward Gallery on London's South Bank and which continues until August 10.

Arts Council creative writing fellowships renewed

The Arts Council has approved the renewal of two creative writing fellowships in Gravesend and Bognor Regis for the academic year 1980-81. The fellowships enable writers to work within an educational establishment, to stimulate the students' own creative activities and to have time for their own writing, while being free from financial pressures.

The two people concerned are Richard Burns, who has been re-appointed creative writing fellow at the Victoria Centre for Adult Education, Gravesend, and Leslie Norris who has been re-appointed creative, writing fellow at the West Sussex Institute of Higher Education, Bognor Regis.

Rubens's "Samson and Delilah" goes under the hammer for £2,300,000 at Christie's yesterday. The purchaser was art-dealer Agnews acting for the Trustees of the National Gallery.

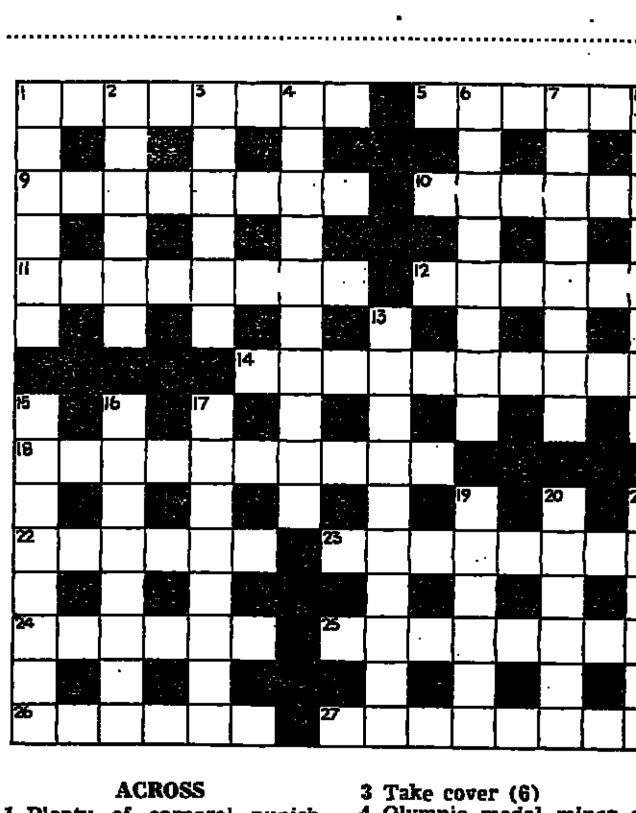
F.T. CROSSWORD PUZZLE No. 4,320

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



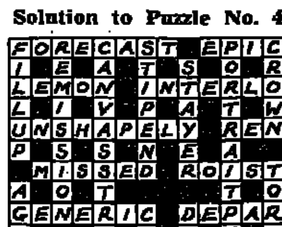
ACROSS

1 Plenty of corporal punishment (8)
5 Goes up to centipede's outstanding feature (6)
9 How dwarf finishes letter to second person (8)
10 Backing Northern Ireland team serving prison sentence (6)
11 Water additive complaint ought to go by bus (8)
12 Followed pure sound (6)
14 Increase power of sage daring to be different (10)
18 On good terms invariably with surprised expression (4, 1, 5)
22 N we hear stands for naval person (6)
23 Father at bar has one way of becoming a ridiculous writer (8)
24 Individual Poles last month abuse (6)
25 Maps hung awkwardly in moss (8)
26 Classes receiving information on time (6)
27 Impression equity shares make on Admiralty people (3, 5)

DOWN

1 Keep away from hedge (3, 3)
2 Tossed play on words in small mouthful (4, 2)
3 Take cover (6)
4 Olympic medal miner gives predatory female (4, 6)
6 Writing winning extensive applause (8)
7 Electricity supplier has trouble with canvas (8)
8 Drink from the south passed by kept firm (8)
13 Releases extensive aid to promotion (4, 6)
15 Comprehensive brush-off (8)
16 Approaches private wrong (6, 2)
17 Referring to one extraordinary (8)
19 Illegal delivery suiting toff 100 per cent (2-4)
20 Baddy's son outside the Bull (6)
21 Close of play floors (6)

Solution to Puzzle No. 4,319



TV/Radio

† Indicates programme in black and white

BBC 1

7.15-8.30 am Open University (Ultra high frequency only). 9.05 The Banana Splits. 9.35 The Flashing Blade. 10.00 Feeling Great! †10.10 "Two Mugs from Brooklyn" starring William Bendix. 11.22 Weather. 11.25 Cricket: Third Test—England v West Indies.
1.30 pm Grandstand: Racing from Lingfield (1.35, 2.05, 2.35); Golf (1.50, 4.10) The Mazda Cars English Classic; Cricket: Third Test (2.20, 2.50) England v West Indies; Show Jumping (2.50, 4.10) Lambert and Butler Tankard; Motor Racing Preview (4.50) Marlboro British Grand Prix; 5.00 Final Score, including cricket scoreboard, racing results.
5.10 News.
5.20 Sport/Regional News.
5.25 California Fever.
6.15 What's On Wogan?
7.00 Saturday Night at the Movies: "The Pink Panther" starring Peter Sellers and David Niven.
8.50 News.
9.00 Knots Landing.
9.50 Telford's Change.
10.40 World Championship Boxing: Light-Middleweight Championship of the World: Maurice Hope v Rocky Mattioli.
†11.40 Phil Silvers as Sergeant Bilko.

All Regions as BBC1 except as follows:
BBC CYMRU/WALES—5.20-5.25 pm Sports News Wales. 12.05 am News and Weather for Wales.
Scotland—12.05 am News and Weather for Scotland.
Northern Ireland—11.20 am-12.05 pm The Twelfth. The Orange Order's traditional procession through Belfast. 5.20-5.25 Northern Ireland News; Sport. 11.40 The Twelfth (repeat). 12.25 am News and Weather for Northern Ireland.
England—5.20-5.25 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am-2.45 pm Open University.
2.45 pm Saturday Cinema: "The Iron Mistress" starring Alan Ladd and Virginia Mayo.
4.30 Cricket: Third Test—England v West Indies.
6.35 The Sky at Night.
6.55 Open Door.
7.35 News and Sport.
7.55 Return Call to Brass Tacks.
8.05 Nine Lives.
9.00 The Hong Kong Beat.
9.35 Cricket: Third Test highlights.
10.05 Golf: The Mazda Car English Classic highlights.
†10.40 Horror Double Bill: "The Mad Ghoul" starring George Zucco.
11.45 News On 2.
11.50 Horror Double Bill "Dr. Terror's House of Horrors" starring Peter Cushing.

LONDON

8.55 am Sesame Street. 9.55 Super Friends. 10.30 Fun Factory.
12.30 pm World of Sport 12.35: International Sports Special (Part 1) Cycling, the Tour de France, plus Boxing—WBC World Heavyweight Championship, Larry Holmes (U.S.A.) v Scott Le Doux (U.S.A.): and Australian Pools Check; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from York; 1.45, 2.15 and 2.45 from Ayr; 3.10 International Sports Special —(Part 2) 1980 Hot Rod Championship of the World from Foxhall Heath Stadium, Ipswich; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Cartoon Time.
5.30 Return of the Saint.
6.30 Rock with Laughter.
7.00 Miss Universe 1980.
8.30 From Here to Eternity.
9.30 News.
9.45 The Specialist.
10.45 "The Spell" starring Lee Grant (TV movie).
12.10 am Pro-Celebrity Darts.
12.45 Close: Personal choice with Leo Aylen.

All IBA Regions as London except at the following times:

ANGLIA

9.20 am Fantasy Island. 10.10 Fangface. 5.30 pm Mork and Mindy. 6.00 Sale of the Century. 10.45 Musical Special (Anne Murray). 11.45 Chopper One. 12.15 am At the end of the Day.

ATV

9.10 am Invasion Road. 9.35 The Television Programme. 10.00 Bailey's Bird. 5.15 pm The Great Cartoon Stars. 10.45 Lifeline. 11.40 Police Surgeon.

BORDER

9.10 am Invasion Road. 9.35 The Television Programme. 10.00 The Beachcombers. 5.15 pm Great Cartoon Stars. 10.45 Paris. 11.45 The Jazz Series, with George Chisholm, Carol Kidd, Kathy Stobart and The Alex Welsh Band.

CHANNEL

5.15 pm Puffin's Pla(i)ce. 10.45 Pro-Celebrity Snooker. 11.30 Caterina Valente in Concert.

GRAMPIAN

9.05 am The Lost Islands. 9.30 Cuir Car. 10.00 Superman. 5.15 pm Popeye. 10.45 Seachd Laithean. 11.00 Reflections. 11.05 Musical Special: "Oscar Peterson." 12.05 am Police Surgeon.

GRANADA

9.30 am Invasion Road. 10.00 Cartoon. 10.05 Batman. 10.45 pm Celebrity Concert: Burt Bacharach compositions. †11.40 The Hollywood Thriller: Humphrey Bogart in "In a Lonely Place."

HTV

9.10 am The Television Programme. 9.35 Getting On. 10.05 Fangface. 5.15 pm Spiderman. 10.45 Vegas. 11.45 The Entertainers: Elaine Simmons.
HTV CYMRU/WALES—As HTV West/HTV General Service except: 6.35-7.05 pm Sion A Sian.

SCOTTISH

9.10 am Invasion Road. 9.35 Fantasy Island. 10.45 pm Star Parade—with Guys and Dolls, Roger Whittaker and Franz Lambert. 11.45 Late Call. 11.50 S.W.A.T.

SOUTHERN

9.00 am Sesame Street. 10.00 Fangface. 10.27 Regional Weather Forecast. 5.15 pm The Trevor Baker All-Weather Show. 6.00 Return of The Saint. 10.45 Southern News. 10.50 Jigsaw John: "They Only Come Out at Night," starring Jack Warden.

TYNE TEES

9.00 am Saturday Shake-up 9.05 Tarzan. 9.55 Saturday Shake-up. 10.05 Moby Dick and the Mighty Mightor. 10.30 Saturday Shake-up. 10.50 Saturday morning movie: "The Lone Ranger and the Lost City of Gold." 12.20 pm Saturday Shake-up. 12.25 Check it out Extra. 5.15 Dick Tracy Private Eye. 10.45 "The Dion Brothers," starring Stacy Keach and Frederic Forrest. 12.15 am Poet's Corner: Marlene Sidaway reads "The Burning Leaves," by Laurence Binyon.

ULSTER

9.35 am Invasion Road. 10.00 Fangface. 5.15 pm The Twelfth. 9.44 Ulster Weather. 10.45 Sports Results 10.50 The Twelfth. 11.20 Police Surgeon.

WESTWARD

9.30 am Survival. 9.55 Look and See. 10.00 Call it Macaroni. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.15 Westward News. 5.18 Cartoontime. 10.45 Pro-Celebrity Snooker. 11.30 Caterina Valente in Concert. 12.25 am Faith for Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Fantastic Four. 9.15 Man From Atlantis. 10.00 Alright Now. 10.45 pm S.W.A.T. 11.45 Star Parade hosted by James Last, with Mireille Mathieu, Caterina Valente and the Bellamy Brothers.

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Steve Wright (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Rock on Saturday (S). 7.30-5.00 am As Radio 2.
VHF RADIOS 1 AND 2—5.00 am With Radio 2. 1.00 pm With Radio 1. 7.30 With Radio 2. 10.02 The King's Collection (S). 10.30 Band Parade (S). 11.10 Bob Kilbey with The Late Show (S) (‡ joins at 11.30). 2.02-6.00 am With Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.06 David Jacobs with Star Sounds (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm The Impressionists. 1.30 Sport on 2: Rugby Special (1.30, 2.25, 3.05, 4.55, 5.30) South Africa v. British Lions; Racing from York (1.30, 1.55, 2.55, 4.50); Test Cricket (1.30, 2.10, 3.10, 3.55, 4.30, 5.00, 5.30 5.55* England v. W. Indies, third test; Show Jumping (1.30, 2.15, 3.10, 4.15, 5.20* Lambert and Butler International; News of Boxing, Golf, Motor racing and 5.45* Racing results. 6.03 Pop Over Europe. 7.02 Three in a Row. 7.30 Sports Desk. 7.33 Big Band Special (S). 8.02 Roger Whittaker Special (S). 9.02 Johnny Mathis in Concert (S). 10.02 Big Fight Special (World light-middle-weight title). 11.30 Bob Kilbey (S) (joins vhf) including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 10.55 Bandstand (S). 11.25 Cricket: Third Test, England v. West Indies including 1.35 pm News. 1.40 A View from the Boundary. 2.00 Lunchtime Scoreboard. 6.40 The Organ Works of J. S. Bach (S). 7.15 The Operas of Richard Strauss: "Ariadne auf Naxos," part 1: Prologue (S). 8.00 What Shadows We Are! (Hugh Dalton's diaries). 8.20 "Ariadne auf Naxos," part 2 (S). 9.45 The Only Living Genius (portrait of Salvador Dali). 10.30 Narciso Yepes, guitar recital (S), 11.00 News. 11.05-11.15 Tallis (S).
VHF—with Medium Wave above except as follows: 6.00-8.00 am Open University. 11.25 Rossini (S). 11.45 I Know What I Like (S). 1.00 News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum.

RADIO 4

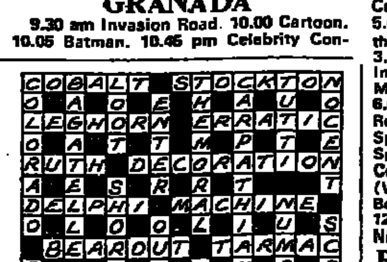
6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 8.58 Continental travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From our own Correspondent. 12.00 News. 12.02 pm Keeping Track (S). 12.27 The News Quiz (S). 12.55 Weather, programme news 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast 2.00 News. 2.05 Wildlife. 2.30 A Dance to the Music of Time, by Anthony Powell. 3.25 Join Radio 3. 5.00 You Said It. 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs with Tom Lehrer. 6.55 Stop the Week with Robert Robinson. 7.35 Ian Wallace (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 The Company's Blade (S). 11.00 Lighten Our Darkness. 11.15 The Magic of Music (S). 12.00 News.

SOLUTION AND WINNERS OF PUZZLE No. 4,314

Mr. E. M. R. Brown, 56 Wychwood Avenue, Knowle, Solihull, West Midlands 93 9DQ.

Mr. R. J. Highman, 196 Mackie Avenue, Brighton, BN1 8SB.

Mrs. A. B. Priestman, Spring Bank, Broughton-in-Furness, Cumbria LA20 6DR.



TV RATINGS w/e July 6

Week Ending July 6
UK TOP TWENTY (viewers m)

1	Coronation St. (Mon.) (Gran.)	14.70
2	The Krypton Factor (Gran.)	13.65
2	Coronation St. (Wed.) (Gran.)	13.65
4	Last Of The Summer Wine (BBC)	12.95
5	Starsky And Hutch (BBC)	11.90
6	Winner Takes All (Yorks.)	11.80
7	Family Fortunes (ATV)	11.40
8	Crossroads (Wed.) (ATV)	11.30
9	Crossroads (Tues.) (ATV)	11.20
10	Rings On Their Fingers (BBC)	11.10
11	Can We Get On Now, Please? (Gran.)	10.95
11	Nine O'Clock News (Tues.) (BBC)	10.95
13	Nine O'Clock News (Fri.) (BBC)	10.90
14	The Other 'Arf (ATV)	10.65
15	The Mallens (Gran.)	10.40
16	Emmerdale Farm (Tues.) (Yorks.)	10.30
17	The Cuckoo Waltz (Gran.)	10.15
18	Don't Just Sit There (Yorks.)	10.00
19	The Sandbaggers (Yorks.)	9.65
19	Bernie Clifton On Stage (ATV)	9.65

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

CHESS SOLUTIONS

Solution to Position No. 328

1 R-QB5! wins. If 1...QxR; 2 RxP ch, K-R1; 3 R-QB7 dis ch wins the queen. If 1...R-R2 (to stop R-B7); 2 R-B8 with the winning threat 3 RxRP ch! and mate. If 1...R-KN1; 2 R-B7; Q-KB1; 3 R-QR7 and Black loses by zugzwang since his queen and rook are tied to the KNP while K-R1 allows RxRP mate. If 1... R-Q1; 2 R-B7, R-Q2; 3 R-B8, R-Q1; 4 RxR, QxR; 5 RxP ch again winning the queen by discovered check.

Solution to Problem No. 328

1 Q-KN1 (threat 2 N-K2 mate), RxQ; 2 N-K6, or if RxR (Q7); 2 N-QB4, or if K-B4; 2 N-K6, or if K-Q3; 2 NxR. A trap is 1 Q-R2? (threat 2 N-K2), P-R3!

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. [illegible] NATIONAL OPERA [illegible]

COVENT GARDEN. [illegible] THE ROYAL OPERA [illegible] THE ROYAL BALLET [illegible]

GLYNDEBOURNE. [illegible]

SADLER'S WELLS THEATRE. [illegible]

THEATRES

ADELPHI. [illegible]

ALBERY. [illegible] OLIVER! [illegible]

ALDWYCH. [illegible]

AMBASSADORS. [illegible]

APOLLO THEATRE. [illegible]

CAMBRIDGE. [illegible]

CHICHESTER FESTIVAL THEATRE. [illegible]

COMEDY THEATRE. [illegible] THE ROCKY HORROR SHOW [illegible]

CRITERION. [illegible]

DUCHESS THEATRE. [illegible]

DUKE OF YORK'S. [illegible] GLENDA JACKSON [illegible]

FORTUNE. [illegible]

GARRICK. [illegible]

GLOBE THEATRE. [illegible]

HAYMARKET. [illegible]

HER MAJESTY'S. [illegible]

LONDON PALLADIUM. [illegible]

LYRIC HAMMERSMITH. CC. 01-741 2311. LAST PERF TON'T at 7.30 DEREK JACOBI as Lord Byron in THE LUNATIC THE LOVER & THE POET by Jane McCulloch. With Isla Blair, Julian Glover & Trevor Martin. Dir. Toby Robertson. Music Donald Fraser.
LYRIC STDIO: LAST 2 PERFS. TODAY 4.30 & 8. Edward Duke in JEEVES TAKES CHARGE by P. G. Wodehouse.

LYRIC THEATRE. CC. 01-437 3686. Grp. Sales 379 6061. Evgs. 8.00. Weds. 3.00. Sats. 5.00 and 8.00. RODNEY BEWES. FRANCIS MATTHEWS in MIDDLE AGE SPREAD. COMEDY OF THE YEAR. WEST END THEATRE AWARDS.

NATIONAL THEATRE. S. 928 2252.
OLIVIER (open stage): Ton't., Mon. 7.30 AMADEUS by Peter Shaffer.
LYTTELTON (proscenium stage): Today 3.00 and 7.45. Mon. 7.45 (low price prevs.) THE ELEPHANT MAN by Bernard Pomerance.
COTTESLOE (small auditorium—all tkts. £3. Student standby £1.20. Ton't., Mon. 8.00 the Market Theatre of Johannesburg presents Athol Fugard's A LESSON FROM ALOES.
Excellent cheap seats from 10 am day of perf. all 3 theatres. Car park. Restaurant 928 2033. Credit card bkgs. 928 3052.

OLD VIC. 928 7616. Bristol Old Vic Company. A MIDSUMMER NIGHT'S DREAM. Eves. 7.30. Mats. 2.30. July 12. 19.

OPEN AIR REGENT'S PARK. CC. S. 486 2431. A MIDSUMMER NIGHT'S DREAM. Evgs. 7.45. Mats. Wed., Thur., Sat. 2.30. THE AMAZING P. T. BARNUM, lunchtime Mon. 1.15.

PALACE. S. CC. 01-437 6834. Mon.-Thurs. 8.00. Fri., Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR. LAST 7 WEEKS.

PALACE. S. CC. 01-437 6834. From Sept. 17 RODGERS & HAMMERSTEIN'S OKLAHOMA!

PALLADIUM. CC. 01-437 7373. YUL BRYNER in RODGERS & HAMMERSTEIN'S THE KING AND I. Also starring Virginia McKenna. HOTLINE 01-437 2055. Evgs. 7.30. Mat. Wed. and Sat. 2.15.

PHOENIX. S. CC. 01-836 2294. Bookings 01-836 8611. Evenings at 8.0. Sats. 5.30 and 8.30 ROYCE RYTON & PAUL JERICHO in THE OTHER SIDE OF THE SWAMP by ROYCE RYTON. Directed by JOAN KEMP WELCH. Until 26 July.

PICCADILLY. S. Air Cond. 437 4506. CC bkgs 379 6565. Grp bkgs 836 3962. ROYAL SHAKESPEARE COMPANY in two smash-hit productions. Hurry last 6 weeks! Today 4.00 & 8.00. Mon., Tues. Wed 7.30. Thurs (low price mat) 2.30 & 7.30 Hart & Kaufman's ONCE IN A LIFETIME with 3 award-winning perfs from Carmen Du Sautoy, Richard Griffiths and Zoe Wanamaker, and Pam Gems' play PIAF (next perf Fri. July 18) PIAF plays Fri. thru Wed. all other perfs LIFETIME. [illegible]

[illegible]

هكذا من الأصل

COLLECTING

Gentlemen's war

BY JANET MARSH

MILITARY ACCOUNTS of the English Civil War read rather like the *Beyond the Fringe* version of a Shakespearean history: Essex stands at Worcester; Newcastle marches on York, and Manchester rallies the Eastern Counties. Apart from the difficulties of nomenclature, it is often hard to follow the logic of the campaigns, as amateur commanders and private armies skirmish all around the island.

London, we know, stayed solidly Parliamentarian; and a line from Scarborough to Exeter divided the country, very roughly, between a Royalist North and West and a Parliamentary South and East; but loyalties and military success were established on shifting sands.

If the geography of the War was vague though, the passions which sustained it were not. Much of the fire and fury of the long struggle of three centuries ago, the last war to be fought on English soil, is brought to life in a remarkable series of letters that come up for auction at Sothebys, on July 21.

They represent probably the finest such collection to appear on the market for a century or more. The documents originate from two sources. One group is a portion of the correspondence of Prince Rupert, Charles I's nephew, which was transmitted by the Prince's secretary to his own descendants, who sold them in 1847. The rest, part of the papers of the Parliamentary commander Sir Thomas Fairfax, have a more romantic history. During alterations at Denton Castle in Yorkshire in 1822, an oak chest full of Dutch tiles was sold to a village shoemaker. Under the tiles the shoemaker found the entire Fairfax correspondence, neatly arranged. Delighted with his buy, he had already cut up some of the vellum documents into cobblers' measures, before someone more historically minded heard of the find and bought them from him.

The two collections were brought together by Thomas Bentley, a prominent Victorian publisher. Most of the documents now reside in the British and Bodleian Libraries; and the 70 or so items now on sale are probably the last important Civil War papers still in private hands.

Any impression of a genial and gentlemanly struggle is dispelled by a letter from Charles to the Earl of Northampton, ordering him to seize all provisions in Banbury and then, "when you shall receave certaine Information that the Rebells intend to march againe to that Towne we Comand you speedily to sett it on fire and to burne it downe. . . ."

The documents are especially illuminating for the relationship between the King and his nephew Prince Rupert — "Rupert of the Rhine." Born in Prague in 1619, Rupert saw military action at 14 and at 16 was a regular member of the bodyguard of the Prince of Orange. In 1636 he made his first visit to the English court.

With the Civil War, Charles appointed *him* General of the Horse; and at a time when rashness and resolution were called for, he quickly proved himself the Royalists' most valuable commander. In a gentleman's army, he shone by tough professionalism—which often attracted charges of brutality and barbarism.

In 1644 Charles appointed him General of the King's Army, provoking jealousy of the brilliant but already irascible 25-year-old. The most vigorous of his enemies was the odious Lord Digby, who was clearly a malign influence in the ill-feeling that grew between Rupert and his royal uncle.

The immediate cause of the hostility was the loss of Bristol to the Parliamentarians in 1645. A terse letter from Fairfax to his father indicates how hopeless were Rupert's chances:


Rupert of the Rhine

"We have shut Pr: Rup: wth. al his horse up in Bristol . . . the plague is much ther."

Charles, though still signing himself "Your loving Oncle and most faithfull frend" was hurt and furious when the city fell. "What is to be done? after one, that is so neer me as you ar, both in Blood and Frendship, submits himselfe to so meane an Action (I giv it *the easiest Terme*) such." Charles had executed commanders for less. As it was he ordered Rupert out of Britain forthwith, and enclosed a passport (still present with the papers) to expedite his going.

Only a fortnight later another letter from the King complains that Rupert has not yet gone, and meanly demands that he stop seducing the King's officers from their allegiance, and using up the provisions of the *King's garrisons.*

Rupert replies the next day with sorrowful dignity: "Sir, give me leave to tell you I have not disserved soe unkinde a salute from you at my Departure, the meanest subject you could not be soe unkinde and unnaturally treated with, however, it shall never lessen my respects to your Matie though I am more afflicted, you shall be perswaded to doe soe unhandsome a thinge then with ill usage of yor Mats Most obedient Nephew & faithful serva(n)t RUPERT."

Others were less blinded to Rupert's loyalty. Only three weeks before the execution of Charles I, his son writes with protestanous of his affection and kindness. After the Restoration Rupert was instantly brought back to England, made a privy counsellor and pensioned.

CHESS

LEONARD BARDEN

Anatoly Karpov's recent first prize at Bugojno in Yugoslavia maintained a remarkable tournament record as world champion. Between April 1975, when he was awarded the title on Bobby Fischer's default, and his 1978 match with Korchnoi, Karpov won 11 individual events out of 13. Since that Philippines marathon he has played and won another five at Tilburg, Montreal, Waddixveen, Bad Kissingen, and now Bugojno. Including top board results in two European championships—a success in 1977, a failure this year—the total is 17 wins out of 20.

Karpov's consistency outshines almost all his predecessors. Rather than question whether Karpov belongs on Olympus with the best players of the past, we should ask whether some of their legendary reputations are inflated. It is well known that Fischer never pushed a pawn in anger after winning the title, but Botvinnik, Capablanca, and Lasker as champions also showed a marked reluctance to compete. Botvinnik won only five out of eight individual tournaments, spread over 15 years; Capablanca three out of five in five years; and Lasker seven out of nine in 27 years.

Only Alekhine stands comparison with Karpov in sustained success as champion over a similar time scale. Between 1929 and 1934 he won 13 tournaments out of 14, though several of these were akin to exhibitions run against weaker opponents whereas Karpov has invariably met fields including title contenders or strong grandmasters.

The balance is a little better for the past champions if you take in their results before winning the title, but even if Karpov's play began to deteriorate tomorrow, an unlikely happening to a man still under 30, it is clear that his five-year reign has been far more credible for a world champion than Capablanca's of the same duration.

Chess may be partly creative art, partly science, partly even an unspoken dialogue or argument between the two players, but it is above all a competitive struggle — what the Dutch picturesquely call "denksport," sport of the mind. If it were otherwise we would be deciding tournaments not by wins or losses but by panels of judges each arguing his national or personal bias.

Just as Alekhine had to play at a more sophisticated level than Morphy to master his contemporaries, so Karpov's style has to adapt to the needs of countering tougher defensive technique and better home preparation. As he points out in his book My Best Games (Pitman) chess has advanced in these areas even since Tal's heyday 20 years ago, so that "playing beautifully," or allowing random and incalculable complications has to be curbed in the interests of good results. People above all expect the world champion to win, to win convincingly and to be an active participant in international chess life. In all these areas Karpov has set high standards for himself and put into perspective the former champions who kept the title while abstaining from tournaments for sometimes years on end.

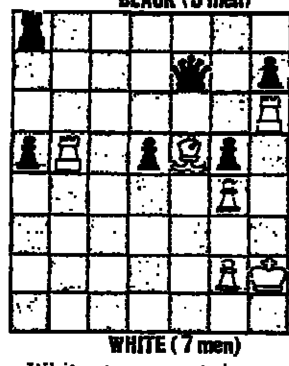
After Karpov's loss to Tony Miles early this year one critic called Karpov "in some ways more fallible than most of the world champions of this century," which is rather like assessing Capablanca solely on his bad start at New York in 1924 and his celebrated loss there to Reti. Karpov's fellow-grandmasters have a better appreciation of his worth and Larsen recently described him as "a unique champion, always ready to accept a challenge." Karpov plans three further major tournaments in 1980 and in at least one of these, next month in Buenos Aires, Miles is likely to be among the opponents.

White: Karpov. Black: Kavalek. Opening: Sicilian Defence (Bugojno 1980).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, N-B3; 6 B-KN5, P-K3; 7 Q-Q2, B-K2; 8 0-0-0, 0-0; 9 P-B4, P-KR3; 10 BxN, BxB; 11 N-N3, P-K4; 12 P-N3, B-N5; 13 R-K1, P-QR4; 14 P-QR4, R-B1; 15 N-Q5, B-K3; 16 K-N1, BxN; 17 PxB, N-N5; 18 P-B3, N-R3; 19 B-N5, N-B2; 20 Q-Q3, PxP; 21 PxP, NxB; 22 QxN, R-R1; 23 R-K4, Q-B1; 24 KR-K1, P-QN3; 25 N-Q2, Q-R6; 26 N-B4, QxRP; 27 NxQP, QR-Q1; 28 N-B4, K-R2; 29 P-Q6, Q-R6; 30 R-Q1, R-Q2; 31 K-R2, KR-Q1; 32 Q-B6, P-R4; 33 NxNP, Q-KB6; 34 NxR, QxR(Q8); 35 NxB ch, PxN; 36 R-Q4, Q-K7; 37 P-Q7, K-N2; 38 P-B5, P-R5; 39 Q-B7, Q-K2; 40 R-N4 ch, K-B1; 41 RxRP, QxQP; 42 QxR ch, Resigns.

POSITION No. 328

BLACK (8 men)

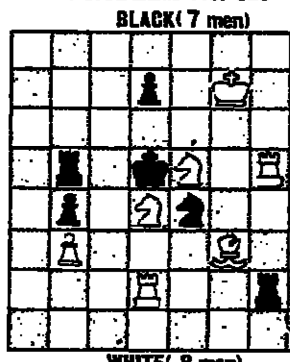


WHITE (7 men)

White (to move) is material down and the obvious 1 RxNP ch would leave him an inferior rook and pawn ending. Puzzle —find the better move by which White *not* only saved the game but won it.

PROBLEM No. 328

BLACK (7 men)



WHITE (8 men)

White mates in two moves, against any defence, by V. Cheplinsky, 1972).

Solutions, Page 14

BRIDGE

E. P. C. COTTER

A couple of hands from a recent duplicate pairs seemed difficult to bid. This was the first hand dealt by East at game to East-West:

N.
♠ 8 5 4
♡ —
◇ K J 9 7 2
♣ A J 10 9 6

W.
♠ Q 9 6 3
♡ K 8 5 3
◇ 10 4
♣ Q 8 7

E.
♠ J 7 2
♡ J 10 9 7 4
◇ A 8 3
♣ 5 3

S.
♠ A K 10
♡ A Q 6 2
◇ Q 6 5
♣ K 4 2

After a pass from East I bid one no trump on the South cards, and my partner took some time to consider his best response. Eventually he decided on three diamonds—this is, of course, a very strong bid—and I think his decision was right. I rebid three hearts. North now said four clubs, and after a Blackwood check for Aces I went six no trumps.

West led the spade three. I won East's Knave with my King, and attacked diamonds. East took his Ace and returned the seven of spades to my Ace. I cashed four diamonds, on which West threw a spade and the eight, three of hearts. His hand pattern appeared to be ~~4—4—~~ 2—3. In that case he is more likely to hold the club Queen than East, who has only two cards in the suit. I led dummy's Knave—East might be foolish enough to cover—but played the King from hand, and after cashing the Ace of hearts, I finessed the club ten, which held, and the slam was made. We were the only pair to play in the no trump slam and consequently received the top score.

To be honest, when dummy went down, I expected *my* partner's diamonds to be better, and was inclined to doubt the wisdom of his diamond bid, but I soon realised that three diamonds was the best available bid in a rather difficult situation.

The second hand was disastrous, and we shared the bottom score with another pair, whose bidding was equally misguided.

N.
♠ Q J 2
♡ K 5
◇ J 10 8 5
♣ A Q 8 6

W.
♠ 9 8 7 6 5 4 3
♡ Q 6
◇ 7 6
♣ 4 3

E.
♠ —
♡ A J 9 8 7
◇ K 9 3
♣ K J 10 5 2

S.
♠ A K 10
♡ 10 4 3 2
◇ A Q 4 2
♣ 9 7

East dealt at game to East-West and opened the bidding with one heart. This was followed by two passes, and it was up to me in the North seat to take action. I had thirteen points, but my hand was not really suitable for a double, so I decided to reopen with one no trump, a bid which in the protective position shows some 11-14 points. South now decided that he had a problem—I would have thought that three no trumps stands out as the obvious bid—but he made the extraordinary bid of two diamonds, and all passed.

South had no difficulty in making ten tricks, but our score of 130 looked rather pathetic beside the 400 which most of the North-South pairs collected. In the amicable post mortem to justify his bid South said that he thought I might have only nine points. With nine points I would not have reopened with one no trump, but even if I had done so, it must be better to play in one no trump than in a minor suit.

While I hold no brief for South's response—he had not even a five-card suit—I also blame myself for being less than alert. It was impossible that my partner's bid was "true." I should have bid three diamonds to show that I was full value for my protective reopening. This might have stirred South to push the boat out.

Political poets

PAPERBACKS

ANTHONY CURTIS

HOW MUCH of what is going on in the world today would you learn about if your only source of information was the work of Philip Larkin, Ted Hughes, Thom Gunn and Elizabeth Jennings? I do not mean the private anxieties afflicting contemporary man and woman I mean matters like Northern Ireland, Cambodia, Israel, the oil crisis, the hostages, the boat people, things that might blow up at any moment and annihilate us all. Poetry no longer encompasses the world of political and national experience. It does not any more attempt to take sides being content to bask in a long love-affair with the self.

This was not always the case, as we are reminded by the appearance of a fascinating new anthology, *The Penguin Book of Spanish Civil War Verse* edited by Valentine Cunningham (£2.95). Mr. Cunningham is an Oxford English don who has made a speciality of the literature of the 1930s. When he was examining the creative writing inspired by the Spanish Civil War, trying to see if a number of widely held beliefs about that period really stood up to scholarly scrutiny, he discovered that much of the material was denied to the ordinary reader, buried in ephermal magazines of the time never reprinted.

He has now rescued this material with admirable thoroughness. Mr. Cunningham has had access to the files of the International Brigade Association and many other first-hand sources, enabling him to assemble a truly comprehensive collection.

It is arranged so that you can follow the progress of the war through the moods of the volunteers. Initial fervour and euphoria are followed by disillusionment and often by death.

The work of many English writers who survived the war, Spender, MacNeice, George Barker, Laurie Lee, Ewart Milne, Herbert Read, Roy Fuller, Roy Campbell may be read now in its historical context, recapturing some of the controversial furore with which it was first greeted. Apart from the well-known names, including those of Orwell and Tom Wintringham, the anthology presents some lesser-known figures such as Miles Tomalin, and the Irish poet Charles Donelly who was killed. Some poems by Clive Bransom who fortunately survived, vivid accounts of imprisonment by the Fascists, appear for the first time.

Readers of Christopher Isherwood's *Lions and Shadows* will remember the sense so well depicted there of "the Test" which the author and his friends who had been too young to fight in the first war felt they would one day have to undergo. As Mr. Cunningham points out in a substantial introductory essay: "Spain provided . . . a situation where the dreams and aspirations of the thirties generation of critics and writers could be tested. It was in fact a place where, willy-nilly, you were tested. Here the talk everybody had indulged in about resisting Fascism was suddenly translated into an inevitable and challenging reality."

Some faced the test more wholeheartedly than others. The anthology shows how much deeper Spender's commitment to Spain was than Auden's, whose poem "Spain," later suppressed by the poet, is given here in its unrevised form. For some, the test was a turning-point, as Orwell showed with classical precision in *Homage to Catalonia.* And there were those who repudiated the whole idea of the test. Not everyone believed that it was necessary to take sides, and of those British writers who did, the odds were not perhaps quite so overwhelmingly in favour of the Republican side as the results of the questionnaire published in the *Left Review* in 1937 led people to believe. Mr. Cunningham quotes the response of Evelyn Waugh, which was: "As an Englishman I am not in the predicament of choosing between two evils." Many writers did, however, make the choice, including some people whose lasting reputation was not as poets: Nancy Cunard, Jack Lindsay, J. Bronowski, Sylvia Townsend Warner.

But even they by the time the war had ended had been made to realise that the problems involved in a writer taking sides were much less simple and clear-cut than in their youth they had supposed. The sacrificial heroism of a young poet like Cornford seemed no longer meaningful.

Good as gold

COINS

JAMES MACKAY

WITH THE bullion price of gold back over the $600 threshold yet again, interest in the yellow metal in its more collectable forms has revived. Significantly, the past few weeks has brought a rash of announcements of new issues, in which gold coins are featured prominently.

Following on the rather embarrassing success of the 1979 gold proof sovereign, the Royal Mint has done some sums and has hopefully come up with the right answer to the anticipated demand from collectors. Limited editions of gold coins are to be released later this year in proof form, using specially prepared blanks with a highly polished table and a frosted relief.

The edition has been substantially increased for the 1980 proof sovereign, 100,000 being planned. A startling innovation for the Royal Mint (though the Pobjoy Mint has been doing it since 1973) is the release of half sovereigns in a proof version—a move that will be welcomed by collectors, dealers and jewellers alike.

This will be the first British half sovereign of the present reign and one of the very few issues this century. Proof half sovereigns last appeared in 1937 as part of the George VI Coronation series. Half sovereigns for general use were last minted in 1915.

The Royal Mint is going a step farther and producing a set of four gold coins, comprising the half sovereign, sovereign and larger pieces nominally tariffed at £2 and £5. Only 10,000 sets will be prepared for worldwide distribution so the demand is bound to be very keen.

Proof sets of these high-denomination coins were last issued in 1937 and before that they were only produced in connection with the Coronations of 1902 and 1911, three times during Victoria's long reign (1839, 1887 and 1893), and with the effigy of George IV in 1826.

Admittedly the mintage of these earlier proof sets was lower than the present series, ranging from a mere 300 in 1839 to 8,000 in 1902, but they rank among the blue chips of British numismatics and one would not require to be much of a prophet to divine that the 1980 gold set will have a very bright future indeed.

It cannot be denied that the Royal Mint has emulated the Isle of Man, whose gold sets produced regularly at annual intervals since 1973 have gone some way to fill the vacuum.

The Isle of Man actually launched a set of gold coins—£½, £1 and £5—in 1965 to mark the bicentenary of the Revestment Act which brought the island under the aegis of the British Crown, but although the coins were struck at the Royal Mint, Tynwald (the island's parliament) neglected to enact the legislation making the coins legal tender and they have since languished in that unfortunate category known to numismatists as pseudo-coins.

Even though only 1,000 sets were issued the 1965 coins have not won the high premium that has been accorded to many of their successors, and they are omitted from several coin catalogues.

No mistake was made when Tynwald authorised the issue of four gold coins in 1973, in proof and uncirculated versions. On this occasion the 1,250 proof sets were quickly sold out. In 1974 the edition was doubled and was again rapidly snapped up.

Ironically, production of the ordinary version of the 1974 coins had only begun when restrictions on the possession of gold coins by U.K. residents were introduced. Consequently, only 481 of the £5 piece were struck and this effectively limits the numbers of sets which can possibly exist.

In later years only nominal issues of gold, strictly for export, were produced and since the ban on modern gold coins was lifted in 1979 the price of some of these sets has gone through the roof.

The 1980 gold coins are available from the Pobjoy Mint, Sutton, Surrey or from the Isle of Man Treasury, Bucks Road, Douglas, from whom details of prices may be obtained. In addition the recent Queen Mother gold crown is available at £48 in 9 carat gold and £130 in 22 carat, but a new venture is the striking of 300 sets of the circulating coinage, from the diminutive halfpenny to the so-called "round pound," in 22 carat gold. This joins the established practice of releasing the year set in platinum (500 sets) and silver (10,000 sets).

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Telephone: 01-248 8000
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The switch in emphasis

IF AN epitaph were ever required for the Thatcher Government's economic policy—and most responsible citizens must hope that this need will not arise—it could surely be a version of Professor Friedman's famous dictum on monetarism: "Control of the money supply is a necessary and sufficient condition for reducing inflation; it is necessary, but by no means sufficient, for restoring the economy to health."

The events of recent weeks have gone some way to dispel doubts about the first, positive, part of this assertion. They have also given those Ministers who might previously have assumed an almost unlimited potency for the monetarist cure cause to take the second, less comforting, part of the monetarist doctrine to heart.

The outlook for inflation has undoubtedly improved. Most economists would now agree with the prediction made by the Chancellor on Thursday that, despite the setbacks of the last wage round, inflation will fall back to 16½ per cent by November, as the Treasury had forecast, amidst widespread scepticism, in the Budget. A further deceleration towards single figures during the next year is gradually becoming the consensus expectation, shared even by non-monetarist forecasters, rather than a mere statement of faith in the Government.

Target range

The OECD, for example, this week published a forecast for 14½ per cent inflation in the first half of 1981. Meanwhile, the preliminary monetary figures have confirmed that the money supply is moving unmistakably albeit slowly and unsteadily, into the target range. There should be little difficulty about keeping it there as the recession takes hold.

But there is no cause yet for Ministers to jump for joy, or even heave sighs of relief. As Professor Friedman has pointed out, falling inflation and monetary control are only the preconditions for tackling the real economic challenges which the Government will face over the coming years. So far the Government's policies on the real economy, in which unemployment, industrial decline and administrative waste exist, are in an inchoate state. This may not be surprising, since inflation has been the overriding threat in the Government's first year. But this summer Ministers will have to think hard about the problems of government spending, fiscal balance and, above all, pay and unemployment, which inflation will leave in its wake.

This week's figures on government borrowing and spending, which showed a large jump in the central government borrowing requirement, caused mainly be public spending rising more rapidly than the Budget plans allowed, are a reminder that much can continue to go wrong beneath the surface, even when monetary growth and inflation are under control. It is quite possible for the Government to borrow excessively and to overspend its cash limits without necessarily compromising its monetary stance. But the effect on the private sector can be disastrous, since high public borrowing, combined with tight monetary constraints and a floating exchange rate produces crippling interest rates and an overvalued currency.

It is from the after-effects of this kind of inconsistency between tight monetary and lax fiscal policy during the past two years that British industry is suffering today. This does not necessarily mean, however, that cuts in overall public spending and borrowing are now required. For the policy errors of the past have now created the conditions for a deeper recession than the Government had anticipated earlier this year, when its public spending plans were made. This will inevitably cause certain categories of public spending, most notably social security, to rise. If, as now seems likely, the recession proves so deep that the monetary targets will become a fairly lax constraint, the natural element in the growth in government spending will have a helpful counter-cyclical effect.

The real danger which Ministers must watch lies in other spending programmes, which are unaffected by the economic cycle, and which will not decline automatically once the economy starts to recover and the threat or "crowding-out" begins to loom large again. The depth of the recession is no excuse for allowing the Ministry of Defence, the local authorities or the Civil Service to overspend.

Of course successful control of public spending is to a considerable extent a matter of exercising restraint over public sector pay. And it is fortunately on the pay front that some of the best news in recent weeks has come. There are strong indications that pay expectations for the next wage round are declining rapidly. Talk about pay settlements below 10 per cent seems to be quite widespread among manufacturing workers in the Midlands. The Government decided to set an example with its decision to slash pay increases recommended by the Boyle Commission for top public servants and MPs.

So there are now good grounds for hope that pay settlements will be well below last year's levels and the rate of price inflation. And it will be pay that determines the course of the unemployment rate—the economic indicator which now matters most politically, economically and in human terms.

Japan's unstoppable motor industry

By KENNETH GOODING, Motor Industry Correspondent

JAPAN firmly established itself as the leading vehicle-producing nation in the first half of this year, overtaking the U.S. for the first time with an output of 5.5m against 4.3m in the States.

Hardly a day goes by without more news from the U.S. or Europe about further lay-offs, plant closures or redundancies in the motor industry. But the apparently unstoppable Japanese motor industry machine has so far been unaffected by the recession.

While the West's major manufacturers have been struggling, Toyota, Japan's biggest group, actually increased output by 20 per cent in the first five months of 1980.

The Japanese mainly manufacture the kind of cars that are in demand in the industrialised countries since oil prices began to rise steeply. They are relatively small and are perceived to be fuel-efficient. Add to that a reputation for reliability and a low price and you can understand why the customers are snapping them up.

But, in the words of one senior executive in the U.S. industry, Japanese imports are "close to reaching an intolerable level." There is a good chance that Japanese car registrations could reach 2m in the U.S. this year out of a total market around 9.5m.

In Europe, too, the domestic manufacturers have been showing increasing concern about the Japanese ability to hold on to volume sales and increase market share as the recession bites deeper.

This was to be expected in "soft" markets like the UK, where the penetration now is 10-11 per cent. But last year the Japanese turned in concert to attack the "Germanic" markets seriously for the first time. The result was, to say the least, disconcerting.

By the end of April this year the Japanese had pushed their share of the West German car market, Europe's biggest, up to 8.5 per cent compared with 4.4 per cent at the same time last year.

Only a few months ago the German industry was certain that Japanese imports could not rise above 8 per cent. "At that level, instead of just hitting other importers in Germany—like Fiat and Renault—they would begin to take the market share away from the German manufacturers. "That is inconceivable, given the attitude of the majority of German customers," I was told.

But the inconceivable has now come to pass.

Those are some of the immediate problems. And they have created a political climate which enables the Western manufacturers to tackle the Japanese on some longer-term issues.

In particular, the European forecasters have been re-doing their sums and looking at the over-capacity in car-making throughout the world.

For example, Eurofinance, the Paris-based consultancy organisation owned by several European banks, suggested, earlier this year, that there could be 500,000 "export" cars looking in vain for markets by 1985. But now Eurofinance believes that figure could be up to 1m.

The over-capacity figure mainly depends on whether the U.S. producers can push back the Japanese in North America to a "reasonable" 15 per cent market share against this year's 20 per cent and above.

If the Japanese drop to that level they will have to find a home for the cars elsewhere in the world. (The Europeans fear it will be Europe.) If the U.S. producers fail to rebuild market share their cars simply won't be built. There will be further closures in Detroit.

For that is one major difference between the Japanese and the Western manufacturers. The Japanese tend to put in extra capacity and then look around for new markets to keep it filled.

And what frightens the rest of the world is that the Japanese continue to put in more and more capacity. Judging by the projects already announced, Japanese car-making capacity, which was 9m in 1978, will reach 11m by 1982—a 20 per cent jump in four years. This compares with forecasts that the Japanese home market will be fairly flat while total world sales might increase by 2 to 3 per cent a year to 1985.

Looking further ahead, Eurofinance estimates that by 1985 Japanese car exports will have advanced from 3m this year to 4m.

Between them, Toyota and Nissan, the Datsun group, the No. 1 and No. 2 car-makers in Japan, will spend $1.5bn to increase capacity by 500,000 in 1980 alone. There is also pressure from the smaller Japanese companies to increase capacity. With a total of nine manufacturers, Japan has the least concentrated and most competitive motor industry in the world.

No wonder M. Francois Perrin-Pelletier, the chairman and chief executive of Talbot Europe, has said in despair: "Whereas European manufacturers are conscious of the risks of excess capacity, this is clearly not the case with the Japanase manufacturers."

But the Japanese system of "build 'em first and then find somewhere to sell them" has worked well so far. World car production rose from 30m in 1973 to 33m in 1979. Japan alone produced about half of the extra 3m cars, with the rest of the growth coming largely from Comecon and Latin American countries.

European and U.S. growth was zero. Europe's share of world car production was down from 38 per cent in 1973 to 34 per cent in 1979 — and it is likely to go on falling.

As the Japanese motor industry grew more and more successful, so its role in the domestic economy became of critical importance. Of Japan's total labour force of 47.95m, one in ten is either directly or indirectly employed in a motor industry job. (Those directly involved total around 665,000). And that in a country where companies give a "job for life" —which really means until the 55 retirement age. In 1979 the motor industry accounted for 19.4 per cent of Japan's visible exports — or nearly $20bn out of the total $103bn.

The "transportation machinery and equipment manufacturers" were easily the top industrial group in Japan in 1978 with an output worth $94.5bn, beating even food manufacturing's $92.25bn.

The more vocal critics of the Japanese concentrate on the lack of reciprocity in automotive trade between Japan and the rest. These criticisms are justified in the case of the motor business. Against the 3.1m cars, 1.42m trucks and 39,000 buses Japan exported last year, it imported a mere 60,161 vehicles.

But the question is: Would opening up the Japanese market to a reasonable share of motor trade imports do anything to alter the fundamental problem?

Even if the Europeans and Americans took 20 per cent of the Japanese vehicle market it would just leave the Japanese looking elsewhere to sell the cars and trucks "released for exports." It would give them even more incentive to attack the "third markets" or "neutral territories" in which the major car companies will slug it out during the 1980s.

As things stand, the Japanese will win hands down. Because of the high productivity their plants they can keep prices relatively low and still make profits.

Indeed, the Japanese have got so far ahead in the productivity stakes that some of the Western companies privately admit they will never catch up. To understand why this is so you have to know something about the Japanese employee.

The point is that it is not just automation which makes the Japanese so much more productive. It is that peculiar Japanese approach to life which is the ingredient the Western manufacturers will surely never be able to match.

The Western producers have also convinced themselves that the "social" costs they have to endure are heavier than those in Japan. The large Japanese companies, including the motor groups, certainly provide heavily-subsidised housing, holidays, health and recreational facilities for their employees.

However, they buy in many more components from outside suppliers than the major Western motor groups. The smaller the Japanese component company, the less likely it is to provide extra benefits for its employees.

The European viewpoint was expressed by M. Bernard Hanon, the head of Renault's car business.

"The U.S., Canada and Common Market countries all have roughly the same system of values—the same objectives of lowering the working week, of giving social protection, earlier retirement, to limit the number of working hours in a year to 1,900 or 1,290 or 920 hours.

"In Japan it is a totally different story and I am very sceptical of asking the European or U.S. worker to go back to 2,100 hours a year production, no retirement, no social security, nothing.

"Are we going to export this system of values, or are the Japanese going to follow us? I feel there should be no regression in this field, under any circumstances."

Thus, the long-term hope of the Western competition is that gradually the Japanese industry will begin to shoulder more of those "social costs" in Japan and some even believe that the Japanese will have to cope with Western-style labour relations problems.

They certainly will have to deal with them when they begin setting up assembly plants outside Japan as they must do before long — if only to deflect political and union pressure.

Already Nissan is preparing to move into Spain via the purchase of a 36 per cent shareholding in Motor Iberica and Honda is to set up a car facility next to its motor cycle plant in the U.S.

Toyota has been playing a waiting game but one day soon it will make its move. It is known to have been looking at prospects in Spain and the suggestion this week that it has had preliminary talks with Ford about a joint small-car plant in in the U.S. has given an indication about the way it might approach that market.

Whether these tentative moves by the Japanese will be enough to halt the rising tide of protectionism remains to be seen.

The Germans, previously resolutely against any sort of protectionism, are now wavering, and there are signs that a Common Market protest movement may get under way.

Herr Wilhelm Haferkamp, the EEC External Affairs Commissioner, last week gave a warning to the Japanese that a further big increase in car exports to Europe would "strain relations." He will bring up the subject again in Tokyo this week.

Herr Haferkamp made his representations on the same day that the Committee of Common Market Automobile Constructors, which brings together the companies operating within the EEC, called formally for an investigation into increasing Japanese imports.

The committee expressed its "serious doubts whether the present market situation corresponds to the concept of reciprocation of trading opportunity which is embodied in the General Agreement on Tariffs and Trade."

This concept was expressed in more emotional terms by Mr. Doug Fraser, president of the United Auto Workers in the U.S., when he said: "I'm getting sick and tired of our trade relationships with Japan where we give and give and they take and take and take with no reciprocity."

Mr. Fraser's union has been unable so far to drum up enough political support for outright import controls and has instead resorted to the U.S. International Trade Commission, a quasi-autonomous panel which rules on trade disputes. On the face of it the UAW has a fight on its hands because to prove its case it must show that imports have been "a substantial cause of serious injury" to the domestic industry. As part of his "package" for the industry this week, President Carter asked for an accelerated ruling on this suit.

The Japanese manufacturers will turn out to defend themselves with some fervour. Is it their fault that the American car buyers suddenly changed their buying habits and now demand smaller, less-thirsty vehicles? Is it their fault that the U.S. manufacturers were in no position to satisfy that new demand?

Were the Japanese responsible for the high interest rates which plunged the U.S. into such a severe recession? And did they implement the stringent legislation on fuel economy, safety and pollution controls which has forced U.S. manufacturers to change nearly every car in their ranges and the plants which make them? Are they to blame that this costly exercise has left the U.S. companies so short of cash that they had no alternative but to take savage action when the recession began to grip?

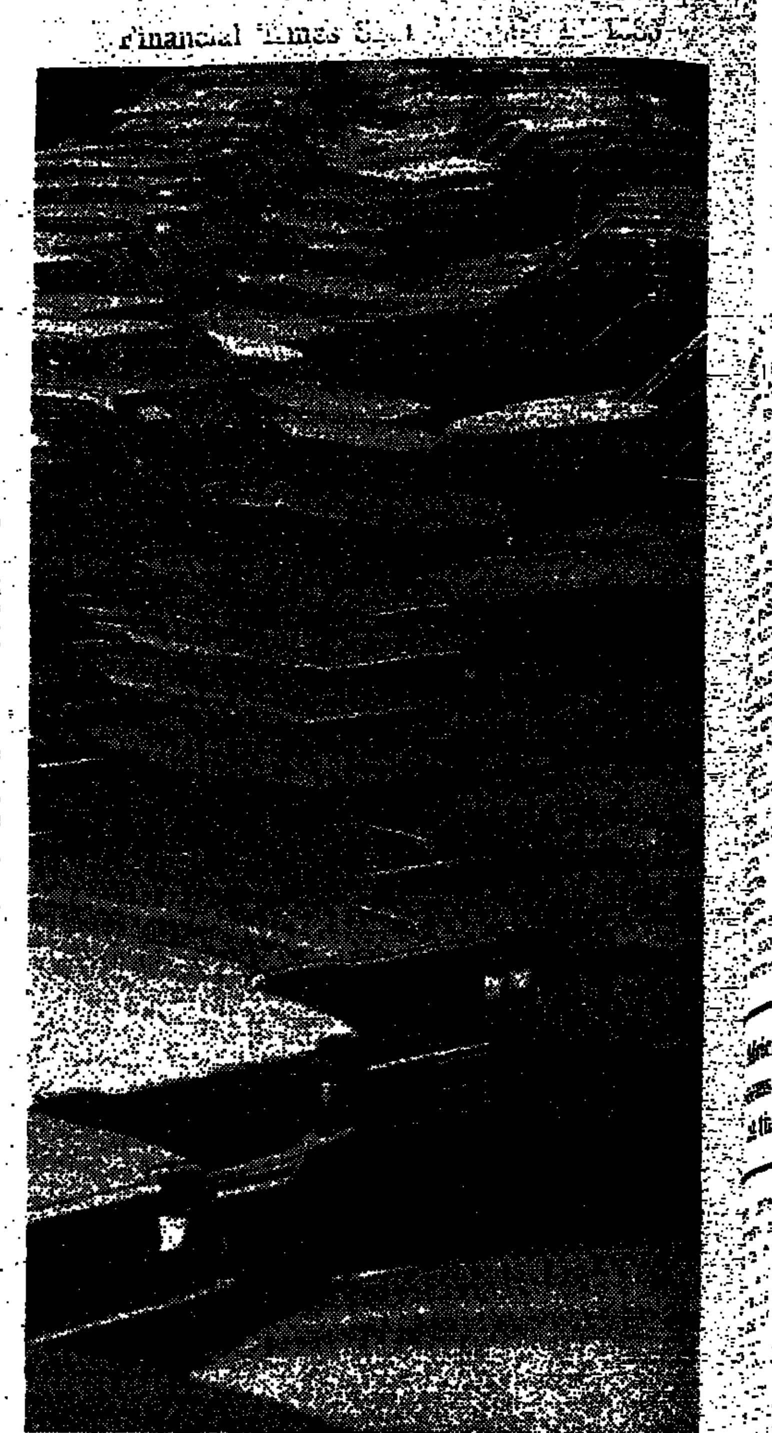
The Japanese are on less sound ground when arguing about reciprocal trading. And they are bound to make some more gestures to appease the Europeans. But there remains the very real prospect that one Western Government or another will bow to the pressure and put a ban on more Japanese car imports. And that would have repercussions far outside the motor industry.

Unlike Western manufacturers, the Japanese put in extra capacity and then look round for new markets

JAPAN'S CAR SALES IN EUROPE

Figures for first four months of the year, in percentages

	1979	1980
Austria	8.5	17
Belgium	14.9	20.6
Denmark	12.5	28.8
France	1.6	2.4
Finland	21.0	33.4
Germany	4.4	8.5
Ireland	25.6	26.8
Netherlands	17.7	23.4
Norway	19.7	35.3
Switzerland	13.3	20.1
UK	9.2	9.9
Western Europe	6.3	9.0



Glyn Genin

Honda Cars on a storage lot at Aurora, Illinois.

Letters to the Editor

Unemployment

From the Chairman, National Association of Pension Funds

Sir,—I am shocked that Eric Short can write (June 30) that "there is much to commend the principle" of cutting the unemployment benefit of claimants who are entitled to a company pension above a certain level, even if they are not actually in receipt of it.

He makes the common mistake of taking as his example the bank manager who retires at age 60 and may not genuinely be seeking other work. I invite him to consider instead the case of a foreman or works manager, expecting to retire at 65, who finds himself made redundant at age 60. He may be entitled to a "substantial" occupational pension at 65 and even the much reduced equivalent pension payable on early retirement—if he is forced to take or, under the new legislation, is deemed to take it—may be enough to deprive him of the unemployment benefit which is rightfully his by virtue of the contributions he has paid during his working lifetime. As Mr. Short points out, the level at which the axe falls is well below national average earnings.

This association will support any move to save public money by tightening up the administration of the social security system, eliminating abuses and withdrawing unemployment benefit from claimants who have no genuine desire to work. The question at issue here, however, is whether a Government in search of economies is entitled to repudiate a long-term insurance contract into which it has entered with its citizens.

The complete *volte face* executed by Patrick Jenkin is based on expediency, not on principle. I find it disturbing that a commentator as respected and experienced as Eric Short should seek to justify in principle an action which, if the national insurance fund were operated by a private insurance company, would almost certainly land its directors in court. I hope that he will reconsider his support for the proposal.

Michael Pilch.
The National Association of Pension Funds,
Prudential House,
Wellesley Road, Croydon.

C. P. Snow

From Mr. R. Tait.

Sir,—May an FT reader express a sense of loss at the death of C. P. Snow. He was the ideal book reviewer for your pages—a man with real knowledge of the scientific, big business, political and Whitehall worlds. It was impossible not to respect and admire a man who could acquire good Russian in middle age and face the most delicate of eye operations courageously. We shall remember the 10 years he spent with you as providing a weekly cultural treat. It was splendid that his last review was of a book about Balfour in which Snow's wisdom and niceness came across perfectly.

R. Tait,
Four Winds, Pebble Hill Road,
Betchworth, Surrey.

Names

From the Publicity Officer, Law Stationers Association

Sir,—I have much sympathy for Mr. Pond, of Paperchase (July 5), the victim of a successful business name. Registration under the Business Names Act has never conferred any monopoly rights to a trading name but at least one has the opportunity of knowing who else is using the same name and where. Lamentably, the situation is shortly going to get much worse since the Government has decided to scrap the 64-year-old central register of business names for the sake of a small annual cash saving.

The business names registry performs a unique and important function in the business community. Mr. Pond's letter highlights the need for its retention and possible reform. Far from scrapping this valuable facility, should we not be examining ways in which its usefulness might be improved still further?

Alec Just,
Law Stationers Association.
15, Pembroke Road,
Bristol.

Accounting

From Mr. R. Morgan.

Sir,—I was sorry to see contributors of the standing of Dr. Berry and others from the Manchester Business School (July 1) reinforcing the persistent fallacy that current cost accounting assumes that companies "replace their capital equipment as it is worn out."

In fact the words "replace" and "replacement" in respect of fixed assets are not used in the current cost accounting standard. The standard is careful to say that current cost appreciation measures "the value to the business of that part of the fixed assets consumed in earning the revenue of the period," and clearly this consumption in value will occur, no matter how old the assets and no matter if they are fully written down or not, providing that allowance is made for the effect of price changes. CCA thus makes no assumptions on fixed asset replacement, but only seeks to measure whether profit has been made after allowing for proper depreciation. Indeed in many businesses the revenue which is earned from the assets is not sufficient to justify their replacement.

The confusion on this topic has crept in from the definition of terms attached to the accounting standard, which suggests that value to the business, on one definition, is net current replacement cost. The guidance notes to the statement make it clear that current replacement cost is no more than a measure of comparison for establishing the value of an asset to the business. This concept is simply illustrated in cases in which there is a second-hand market for the assets in question so that current replacement cost can be checked by outside comparisons. Nevertheless, it is a pity that the word "replacement" has been used in the definitions, and it would have been less confusing, as was suggested, if some different word, such as "equivalent," had been used for the purpose of measuring consumption of value.

One major reason why CCA depreciation seems unattractive to many managements is that historic depreciation periods are usually much too short, probably by design as a protection against inflation, rather than a realistic measure of fixed asset working lives. If, however, an asset is in use it must suffer some depreciation, though this may be very low if the asset is old. Straight line depreciation is obviously unsatisfactory in such cases, since older assets lose less in value towards the end of their lives. CCA therefore makes obvious that asset lives need to be reconsidered in many cases, and also highlights the need to reconsider the method of charge. The use of reducing balance depreciation can be useful in this context, since a much fairer burden of depreciation is thus charged to those periods which benefit proportionately from the use of assets.

R. F. Morgan
(a managing director),
Ransome Hoffman Pollard,
Stratton House,
1 Stratton Street, W1.

Forestry

From the President, Institute of Foresters of Great Britain.

Sir,—May I offer the thought that one field of domestic primary production which could profitably absorb surplus investment funds is forestry? It has been indicated that a programme of afforesting 2m hectares over the next 50 years would enable the UK to move from its present exposed position of relying upon imported timber for over 90 per cent of its neds to becoming 26 per cent self-sufficient.

Considering the size of our present annual import bill—approaching £3bn and the forecsts of future world shortges of timber, investment in this field of primary production would bring permanent, constantly renewable benefits, to our economy.

J. W. Dodds.
Institute of Foresters of Great Britain.
22, Walker Street, Edinburgh.

Sissinghurst

From Mr. J. Owen

Sir,—May I congratulate Robin Lane Fox for his outstanding article on Sissinghurst in his Gardens Today column of July 9.

Coincidentally, on the evening prior to the article's publication, in the company of some American visitors, I attended a performance of the excellent play Born in the Gardens. In this play one of the characters, an attractive English lady who has emigrated to California, makes a particularly effective attack on British tackiness and seediness an impression she claims is demonstrated to all foreign visitors initially and indelibly at the gateway to our shores—Heathrow Airport.

As a consistent visitor to Sissinghurst over the last decade I completely agree with Robin Lane Fox that improvement rather than decline has taken place and that its style and dedication to horticultural excellence does, in fact, entitle the place to his plaudit of "the best in the world."

Our American visitors, therefore, will be taken to Sissinghurst after first reading the Financial Times article and hopefully the memory of that beautiful place will linger longer than their view of Terminal 3.

John L. Owen,
Springfield,
Hillydeal Road,
Otford, Kent.

Transport

From Mr. P. Morris

Sir,—I fear Sir Horace Cutler (July 8) has his facts wrong. Although car congestion accounts for 1 per cent of lost bus miles against a budget that already assumes "normal" congestion, the effect of a ban on cars would of course be vastly greater than 1 per cent. Current bus speeds in cetnral London are about 4 mph, and a total ban on cars would increase this to at least 10 mph. This would mean 150 per cent more bus miles available with the same number of drivers and buses.

People drive into central London because it is the cheapest way of getting to work. It is cheaper because 60 per cent of car drivers use company cars and/or petrol, and because the subsidy given to public transport does not reflect the true resource savings offered by mass transit.

A cordon restraint system with a £2 one-way charge would be simple and remarkably unbureaucratic.

Peter Morris.
80a Mount Ararat Road,
Richmond, Surrey.

Values

From the Deputy Director, National Institute of Economic and Social Research

Sir,—I note that the journalists working for the Financial Times have been offered increases of 22-24 per cent. I am sure that this will give them even greater incentive to write even fierier editorials which tell employers to resist high wage demands, and which press for a 10-12 per cent limit in the public sector.

I note also that Sir Keith Joseph suggests that we might help to keep the rise in money earnings down by offering to work for less money than those at present employed. I am happy to do this, and will be pleased to take the place of any of your senior economic correspondents for four-fifths of their present salary. What is more, I can promise that my copy will be excitingly different from anything that has been seen in the Financial Times for a long time.

F. T. Blackaby.
National Institute of Economic and Social Research,
2, Dean Trench Street,
Smith Square, SW1.

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Ray of hope for an overcrowded planet

BY IAN DAVIDSON

IF YOU had to name the single biggest problem facing the world, I suppose there is a fair chance that you might pick on the so-called "population explosion." That problem has not been solved—far from it. But there is increasing evidence to suggest that in a large number of developing countries there is a fairly widespread decline in the birth rate.

First indications of this trend were picked up a number of years ago. But the fullest and most comprehensive evidence have been presented this week in London at a conference held by the organisers of the World Fertility Survey, which has been described by its project director, Sir Maurice Kendall, as the largest social science project ever undertaken.

Forty-one developing countries and 19 developed countries are participating in the survey, in thecourse of which about a third of a million women are being or have been interviewed about the numbers of children they have and the numbers they want to have, about their education, their work, and their knowledge and use of contraception. About half the countries have published their results, while some others are close to doing so, and since great efforts have been made to ensure that the same questions are asked in every country, it has been possible to arrive at a high degree of comparability in assessing the answers.

Africa's population seems to be growing at the fastest rate

Naturally, the fact that the answers are comparable does not mean that the answers are the same; as you would expect, the patterns of child-bearing vary widely between countries, and even between regions of the same country. But on balance ... the evidence unequivocally confirms the decline in the birth rate in most of the reporting countries.

In some cases the decline has been startlingly rapid. In Costa Rica the birth rate has fallen by about 50 per cent in a bit more than a decade, in Colombia by 35 per cent, in Indonesia by 30 per cent, in Jamaica by 25 per cent, and in South Korea by 45 per cent. Unfortunately, even with falls of this magnitude, the populations of these countries will still go on rising, because the rate remains well above what would be required for stability. Even among more sophisticated people in such countries as the Philippines and Korea, the average woman has between three and four children, whereas the replacement level would be somewhere between 2.2 and 2.5 children.

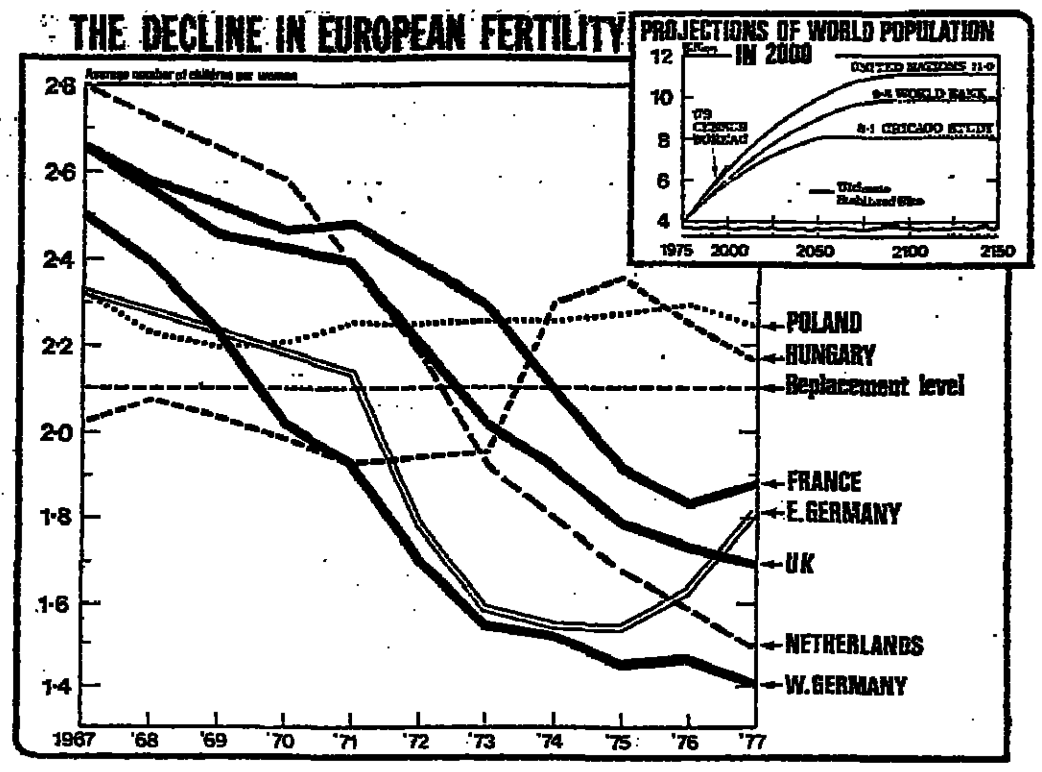
Moreover, at the other end of the scale there are a number of countries where there has been little or no decline in the birth rate. Bangladesh seems a case in point, while Pakistan has seen a drop of only 10 per cent over a 10-year period; since the average family has over six children in both countries, their combined population of 177m could reach 300m by the end of the century.

In Kenya, the national authorities were stunned to discover not merely that the birth rate had not declined, but that it had actually increased: the average Kenyan mother has eight children, giving that country one of the highest rates of fertility in the world. Though Kenya is the only African state to have published its findings so far, this would seem to confirm previous estimates that the African continent has the highest rate of population increase in the world.

According to the Population Reference Bureau of Washington, Africa as a whole has a natural rate of population increase of some 2.9 per cent a year, which would take it from 472m this year to 832m by the end of the century and over 2bn before it stabilises some time in the middle of the 21st century.

Of course, these long-term extrapolations are highly speculative, and hence unreliable. We have a fairly good idea of what the numbers may be 10 or 20 years from now, because most of the people who will then be having children have already been born. Most estimates suggest that the world's population at the end of the century will be about 6bn, compared with 4bn in 1975 and about 4.4bn now, but thereafter the picture becomes very hazy. The central projection of the United Nations is that the numbers will not level off until early in the 22nd century at about 11bn. The World Bank thinks that moment could arrive late in the 21st century at under 10bn. But a Chicago University study suggests that world population could peak as early as the middle of the next century, at just over 8bn. Any one of these projections would amply justify the term "population explosion," but the wide variation between them underscores the fact that we know rather little about the effectiveness of contraception campaigns, for instance (though the World Fertility Survey will help), and rather less about why fertility patterns change, let alone how they can be influenced.

Perhaps the most encouraging single finding to have emerged from the survey is that women in many developing countries want fewer children—fewer than their parents had, fewer than they themselves are in fact likely to have, and in a significant number of cases fewer than they themselves already have.



According to two different analyses, up to 30 per cent of the women surveyed had not wanted their last child. In other words, there appears to be a substantial unmet demand—at least on the part of mothers—for more effective family planning. Yet about half of those women who say they want no more children are not using any form of contraception. Just why this is so is one of the major questions; availability is often an important factor, but it may also be that society—or husbands—expect more children than many women would like to produce.

But it does seem clear that the problem is not, in general, one of sheer ignorance. In widely different countries a high proportion of women had heard of different kinds of contraception, and surprisingly the most modern methods were the best-known. Nearly 64 per cent of the women in Bangladesh had heard of the pill, but only 5 per cent had ever used it, and even fewer had used any of the old-fashioned methods, such as rhythm, withdrawal and abstinence. Strikingly, there has been a sharp increase in voluntary sterilisation (almost always of the woman) as a contraceptive measure. In seven countries, over 15 per cent of women in their late 30s had been sterilised: among these the proportion rose to 32 per cent in Panama, 28 per cent in Fiji and 22 per cent in the Dominican Republic, and even among women in their early 30s in these countries the proportion was over 20 per cent. The Dominican Republic's Government was so surprised to discover from the survey that nearly 40 per cent of women using contraception had chosen sterilisation, that it set up a special programme to make it more widely available, especially in rural areas; in Panama a mother in hospital is routinely offered sterilisation after delivery if she says she is having her last child.

As one might expect, women who have better education, live in towns, and have jobs tend to have fewer children than others, but quite large numbers of rural uneducated women are also using contraception. In 13 countries, 40 per cent of rural women in their late 30s had used contraception, and over a third of uneducated women had done so. In other words, education and urban living are not necessary to reduce fertility. Having a job outside the home is a much more important factor in reducing numbers of children, but this is hardly relevant as a family planning policy option for governments in most developing countries.

Unfortunately, the process of "modernisation" does not always lead to lower fertility. The survey shows not merely that breastfeeding is itself a partial form of contraception—an extra five months of breastfeeding adds two months to the interval between children—but that prolonged breastfeeding is associated with uneducated women in rural areas. This may be one reason why in Pakistan fertility is higher in towns than in the countryside, whereas in other countries a shorter period of breastfeeding in towns appears to be compensated by increased use of other forms of contraception.

It is tempting to suppose that population control should be easier in small countries and in those which are further along the development path: Costa Rica has a population of 2.2m and a GNP per capita of $1,540, Bangladesh has a population of 90m and an average GNP of $90. But, of course, there are exceptions. Sri Lanka is a puzzle because, although it is small, it has the lowest fertility in South Asia despite low per capita income.

A much more important exception to the small-rich hypothesis is China. Last year Peking announced that it had brought down the rate of population growth from 2.3 per cent in 1971 to 1.2 per cent in 1978, and was aiming at zero growth by the end of the century. Some people doubt that this target is attainable, but should it be reached it would by itself make an enormous difference to future population projections, since China accounts for nearly a quarter of the present total.

But while we are worrying about the population explosion in the developing world, perhaps we should also spare a thought for the reverse process which has been happening in a large number of developed countries. Since the early 1960s there has been a steep decline in the birth rate in Europe and the United States, to the point where in many of them it now lies below the replacement level.

The survey throws some fascinating sidelights on certain aspects of this downward trend.

As women become more important, so children become less important

Most women in Europe and America now consider two children the ideal number, though the decline in family size may be slowing in several countries. Contraception is almost universal, though there is very wide diversity in the method: in Britain, Denmark and the U.S., between 20 and 30 per cent of couples have resorted to sterilisation, but old-fashioned methods are still widely used in Belgium, Spain, France and Hungary.

What the survey does not say is why western fertility has been dropping below replacement levels, and why the decline started during a period of rapid economic growth. But it is difficult to avoid the conclusion that, as women have become more important, so children have become less important.

Weekend Brief

How the secretarial market is suffering from holiday blues . . . what's brewing at Young's . . . the march of shop computers . . holidays with Lord Grade

The shortage may be temporary

Unless the flu wipes out thousands of British office workers over the next few weeks (or a sudden break in the clouds lures them away from their desks), the outlook is bleak for that transitory phenomenon, the temp.

Summer is usually the best time for temps as permanent staff abandon their typewriters and head for the beach. But with the recession in full swing demand is at an all time low.

Even in central London where almost anybody could find some sort of job employers are thinking twice before seeking temporary help. Most firms are managing — surprisingly well it seems — to squeeze a little more work out of their existing staff.

Of course there are still plenty of jobs available for well qualified secretaries with shorthand and other less defineable attributes. The squeeze has mainly been felt by the clerical grades. After all the filing can wait.

But the agencies themselves are also feeling the pinch. Their money is earned by putting people in jobs. And if there are no jobs there are no profits. Alfred Marks, one of the biggest agencies with branches throughout the country, says temps are finding the going particularly hard in Coventry and Sheffield, for reasons not unconnected with the steel and motor industries.

But even in central London demand is flat. Says Sonia Shea, a Marks executive: "Employers are marking time. They are rushing to hire people and they are more ready to let a temp go. In the past they have held on to her for maybe a day. Now they say go. But the position is changing from hour to hour. I think the weather may have something to do with it. I have put my own holiday back for a week and I imagine that others are doing the same. But of course the major problem is the recession."

Charles Lowe of the Brook Street Bureau concedes the agency is not immune from the squeeze but points out that the Southeast is better off than other parts of the country.

But even in the Southeast agencies have been getting irate calls from would-be temps who find themselves virtually unemployed. Many temps are rushing from agency to agency in the hope of landing a job. But there have nevertheless been some angry scenes. The situation has not been helped by the large numbers of school leavers especially young ladies from secretarial colleges now seeking work.

Nor are the newspapers immune. In London the Evening Standard, the prime medium for advertising office vacancies, reports a dramatic fall in recruitment advertising. The Brook Street Bureau has not advertised with the paper for some months, although it maintains a presence on Capital Radio.

One explanation for the slump in temporary work—inevitably rejected by the agencies—is that temps are an expensive form of help. When the agency's fee is taken into account an employer can be asked to pay anything up to twice the amount actually earned by the temp.

In defence the agencies say they find, select and fit the girl to the job. The employer can always get rid of her at a moment's notice if there is no work or if there is what is euphemistically called a clash of personality.

"You can't do that if you appoint somebody to a fulltime position," said one agency chief.

Not every temp works in an office, of course. These days temps include nurses, factory workers and accountants. As usual there is no lack of demand for accountants.

Grade and Pycroft: a cautious travel view

Young ways of brewing

One qualification to attend the annual shindig of Young's Brewery is to be the owner of only one share. At Tuesday's AGM in a West End hotel—where the feeding and drinking part of the proceedings had lasted three hours—one shareholder was apparently stopped on his way out carrying six bottles of his hosts' wine in a paper bag.

Young's other main claim to fame has been the endorsement of the quality of its beers by the Campaign for Real Ale and drinkers generally. So much so that it has hardly been able to do more than supply its own pubs; few firkins of Young's Special escape to the free trade sector.

Now something has happened that could tarnish Young's shining image with the CAMRA buffs. Some time ago the brewery phased out its Saxon lager (rated by some rigorous connoisseurs as an emasculated light ale).

In the beginning of June it launched a new lager. The usual marketing consultations took place with the outside professionals, and the following strategy was agreed: "None of your pseudo-Deutsch names for this little gem." So the product is named JYLL, or John Young's London Lager (after the chairman), and the advertising attack barks out the message that this drink is for bulldogs, not dachshunds. Mind you, they have to use Austrian hops to get the right flavour.

Lager, which is a "dead," pasteurised brew, is anathema to CAMRA buffs, who prefer "live" beer (that is, beer which can go mouldy or sour if it is not cared for, and not just flat).

But Young's new JYLL has proved an immediate success and the brewery has had to ration its pubs. Production has been pushed up from 400 to 500 barrels a week, and goodness knows what would have happened if it had not been raining all summer.

One of the problems is that while it takes about 10 days from the start of a brew to get a bitter or a light ale into a pub, it takes six-and-a-half weeks for a lager, which has to be left standing longer in the production process. The brewery, however, has been given the whisper that JYLL has come out third of 40-odd lagers in a yet-to-be-published quality assessment of an independent panel. Not bad for a six-week-old babe!

Young's is busy building a new brewhouse at Wandsworth, which will push up its total capacity from 4,000 barrels a week to 5,000.

One shareholder wondered if the resurgence of beer sold from the wood might mean that he could beg or buy a pair of half-barrels from redundant stock, to use for growing plants in the front garden. No such luck. Barrels now cost £50 each (still cheaper than metal kegs, and with a longer working life). So Young's head cooper, Tom Wood, is still kept busy with his jiggers, crumming knives, flagging irons, chequered and other adzes, and all the old tools of his craft, recycling irreparable barrels to mend the slightly damaged.

Scarcely a brewery makes its own barrels these days, and the colourful initiation ceremonies for apprentices—who were beered, red-ochred, and rolled in the barrel—are a thing of the past. Barrels are bought from outside companies, who go in for other products such as garden furniture. That is what they call progress.

Checking on the check-outs

If Mike Aldrich is to be believed, the days of the supermarket are numbered. He forsees a future when housewives will do the week's shopping from the comfort of an armchair, using a hand-held push-button keypad to order electronically items displayed on their television screen at home.

Aldrich is Managing Director of Redifon Computers, part of the Rediffusion group, which this week unveiled a versatile new data-processing and information system. Like the Post Office's Prestel service it is based on viewdata technology, which in effect turns a television set into a terminal which can "talk to" a central computer.

The system, called the R1800/30, will sell for about £30,000. That may sound steep, but Redifon claims that it performs as well as an IBM system costing up to 50 per cent more. It is also simple to use—literally child's play: Redifon says that it tried it out on a ten-year-old and he mastered it in minutes.

The company hopes that its simplicity of operation will appeal to many people who have never dealt with a computer before. It expects to sell it initially to small businesses, particularly in the distribution trade, for which it can perform tasks like order booking, stock control, payrolls and general accounting.

All these functions can, of course, be carried out by a micro-computer costing only a few thousand pounds. But the R1800/30 is more versatile because it also allows users to communicate at a distance. Redifon thinks that this feature will open up a much bigger market.

According to Aldrich, the system could stimulate the growth of cheap computer services. A local merchant or businessman with a suitably modified television set in his office could use it to transmit data on his accounts or tax returns to a computer "bureau," where they would be processed and the results sent back to him. For about £300 Redifon will supply a small printer to make a permanent record of the screen display.

It may be a while, though, before reality catches up with Aldrich's vision. The televisions used in the system have to be specially equipped for viewdata, and Aldrich reckons that at least 500 of them would have to be installed in a community for his electronic warehouse scheme to be commercially worthwhile. But viewdata sets cost twice as much as ordinary colour televisions, and so far les than 5,000 have been installed nationwide.

Grade's winter flight

The travel industry held its breath at the news that Lord (Lew) Grade was putting his name and Associated Communications' cash behind Reg Pycroft and his Jetsave travel operation. Was the Grade talent for show-business going to transfer itself to the travel scene and would a new Freddie Laker thus be appearing on the scene? Now the first post-Grade Jetsave brochure is in the High Streets it is clear that ACC is taking a conservative approach to this new venture. Whatever else the Grade-Pycroft duo is up to it is not a full frontal challenge to Laker.

In its winter brochure Jetsave has turned its backs on both cut price offers and colourful charter airlines. Instead it is pitching its prices right into the middle market and using gold old British Airways as its carrier for 10,000 American holidays this winter. "Other people may come in with cut-prices but what we are not cutting is corners," says Jetsave.

What then is Grade up to with Jetsave? Apparently in the immediate term the backing of ACC gives the company, until May of this year owned entirely by the Pycroft family, a ring of foreign confidence in signing up long term deals with airlines and hotels. In the longer term ACC is keen to get deeper into hotel ownership, and notably the American hotel ownership. Will it also join the rush into buying aircraft? The very question causes a shudder. "For the moment we are free to pick and choose wherever we get the best prices."

Contributors:
Keith Sharp
Jim French
Guy de Jonquieres
Arthur Sandles

Economic Diary

TODAY: Durham Miners' Gala, attended by Mr. Arthur Scargill, Mr. Tony Benn, and Mr. Joe Gormley.

MONDAY: May provisional index of industrial production. Mr. Roy Jenkins, European Commission president, starts two-day visit to Dundee and Tayside.

TUESDAY: Balance of payments current account and overseas trade figures for June. Budget resources committee discuss cash crisis, Manchester. European Atlantic Group meeting, London, with Supreme Allied Commander Atlantic talking on "NATO's naval defence and its global implications." EEC Finance Ministers meet in Brussels to examine economic situation in Community, and are expected to authorise raising a second loan under the New Community Instrument (the Ortoli facility).

WEDNESDAY: Cyclical indicators for the UK economy (June). Index of industrial production for Wales (first quarter). Indices of average earnings (May). Indices of basic rates of wages (June). Mr. Denis Healey, Shadow Chancellor, speaks at American Chamber of Commerce lunch, London. Japanese industrial strategy seminar, Sheffield. Commons starts two-day debate on Finance Bill, report and third reading.

THURSDAY: London dollar and sterling certificates of deposit (mid-June). UK banks' assets and liabilities and the money stock (mid-June). Mrs. Margaret Thatcher, and Lord Carrington, the Foreign Secretary, separately meet Mr. John Anderson, independent candidate for U.S. presidency. British Airports Authority annual report published.

FRIDAY: Retail prices index (June). Tax and price index (June).

Thorn EMI tops £125m: £30m scanner provision

SECOND HALF upturn together with a four months contribution from EMI of £4.4m enabled **Thorn-EMI**, the electronics, lighting and engineering group, to increase taxable profit from £118.1m to £125.5m for the year to March 31, 1980.

The company has made a £30m extraordinary provision against the cost of withdrawing from medical electronics, the chief product of which being the diagnostic scanner.

While finding it difficult to be anything but pessimistic for the immediate months ahead, Sir Richard Cave, the chairman, says the Board of a major company such as Thorn EMI must always be prepared to meet short-term difficulties and to have confidence in medium- to long-term strategies.

Profit levels for the EMI product groups for the four months since takeover were affected by the heavy losses on medical electronics. Negotiations are continuing for the sale of certain parts of the business and to finalise licence agreements on patents retained.

Several EMI films nearing completion are expected to make a valuable profit contribution and other areas of EMI entertainment and leisure remain profitable.

With tax taking £34.5m, against £39.4m, stated earnings per 25p were up at 57.6p (55.1p) on enlarged capital apportioned on a time basis in line with standard accounting practice. Deferred content of the tax charge amounted to £25.8m (£9.3m).

Net total dividend is being raised 12.5 per cent to 14.625p (13p) by a 10.575p final.

External sales amounted to £1.62bn (£1.21bn) with overseas content up from £330.5m to £532.3m.

Trading profit for the enlarged group was £256.4m, against Thorn's £221m in the previous year. Of this, £117.9m (£98.9m) is set aside for depreciation.

Interest costs climbed from £4m to £13m with borrowings, net of liquid funds, up from £36.6m to £244.4m representing 30.2 per cent of capital employed after deducting deferred tax. Gross cash flow from trading operations during the year totalled £230.7m (£186.4m).

Improved profits were achieved by Thorn Consumer Electronics despite substantial development costs. Here the company sees the new range of TX colour television chassis as an excellent product for UK and export markets.

Overall consumer electronics lifted profit, before interest, to £73.2m (£72.6m) on sales of £507.2m (£445.7m). The lighting side was, however, down at £13.2m (£14m) following a sharp fall in overseas profitability to £2.6m (£3.6m) despite higher sales which took total turnover here to £284.7m (£260.4m).

Although UK lighting results appeared disappointing the directors are hopeful of better margins, on new higher technology products being introduced.

Domestic appliances showed a profit of £22.1m (£21.1m) on sales of £423.1m against £373.3m with good performance by Thorn Heating and steady progress at Rumbelows but a poor year for gas appliances due to production delays.

Despite near static demand in the UK profitability of Thorn Engineering was maintained while a major improvement programme is being carried out. Profit before interest was £5m up at £19.4m on turnover of £284.6m (£244.9m).

After minorities and the extraordinary provision, attributable group profit emerged at £58.6m (£78.2m) of which £33.1m, against £59.7m, is retained.

By year-end shareholders' funds stood at £547.9m compared with £608.5m before consolidating EMI and £420.1m 12 months earlier.

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DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
BBEA	2.15	—	1.9	3.5	3.1
D. F. Bevan	1.2	Oct. 1	1.42*	1.7	1.42*
Braham Millar	0.3	Sept. 3	1.07	0.6	1.67
Schlesinger (Jersey)	3.5‡	July 31	1.5	3.5	3.5
Thorn-EMI	10.58	Oct. 3	9.4	14.63	13

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Single payment for year.

D. Bevan rises to £722,000

PRE-TAX profits of **D. F. Bevan (Holdings)** finished the March 31, 1980, year ahead from £550,000 to £722,000 on turnover up by £2.4m to £14.95m.

At halfway, profits had risen to £252,000 (£151,000) and the directors said that in the absence of unforeseen circumstances they looked forward to a second half materially better than the first period. But, they added it would be unrealistic to envisage an increas "as dramatic as last year"—second half contribution in the event was £470,000 (£399,000).

On capital increased from last year's scrip issue, earnings per 5p share are shown as 9.7p compared with 7.1p, and a final dividend of 1.2p net lifts the total to 1.7p—a single adjusted 1.41667p was paid previously.

Profits of this metal merchant, casting and general engineer, steel stockholder were strck after interest of £245,000 against £138,000 and included associates' share of £19,000 (£7,000).

There was a tax credit of £12,000 compared with a £77,000 charge and, after an extraordinary debit much higher at £226,000 (£24,000), the available balance came through at £508,000 (£449,000).

After waivers, the dividend cost was £106,000 against £78,000, leaving £402,000 (£371,000), which has been transferred to reserves.

Profits up so far at AB Foods

PROFITS of **Associated British Foods**, including those of the overseas divisions, were currently ahead of the levels achieved for the same period last year, Mr. Garry Weston, chairman, told the annual meeting yesterday.

Real volume sales were reported to be continuing to grow in most of the group's major divisions, he added.

However, intense competition and tight margins would be prevalent in most areas of the group's operation during the year, and some divisions would undoubtedly find it difficult to repeat last year's profits performance.

Hampton Trust buys into the Woodada gas discovery

BY STEPHEN THOMPSON

Hampton Trust, the UK registered property and investment company which has a number of small mining leases and mineral rights in Western Australia, has agreed in principle to acquire 5 per cent in the exciting Woodada gas discovery in Western Australia through the proposed purchase of a 5 per cent stake in exploration permit EP-100.

EP-100 covers an area of more than 12,000 square miles in the Perth Basin in which the Woodada strikes was made by **Hughes and Hughes of Texas** and Australia's **Strata Oil**. The 5 per cent interest is reduced to 3.5 per cent following the drilling of the discovery well Woodada No. 1.

Hampton Trust is acquiring the EP-100 interest from Mr. A. R. Burns, Mrs. V. W. Burns, Mr. D. R. Gascoine and Mrs. J. Gascoine, who are each selling a 1.25 per cent stake in the permit.

Mr. Burns and Mr. Gascoine are well known in the Australian mining and oil and gas exploration scene through their directorships and substantial shareholdings in the Magnet group of companies which are based in Perth and include **Magnet Metals, Monarch Petroleum, Lennard Oil, Stirling Petroleum** and **Gem Exploration.**

The deal is conditional upon the consent of Hampton shareholders and the approval of the Australian Reserve Bank.

Under the terms of the proposed deal Hampton Trust will allot 1.5m Hampton Trust shares to the vendors and will pay an overriding royalty of 10 per cent on all oil, gas and condensate accruing to Hampton Trust.

In addition the vendors will be granted options to purchase 1m fully paid shares in Hampton Trust for three years at 50p a share, 1m shares for four years at 75p a share and 1m shares for five years at 100p a share, subject to adjustments in the event of future rights or scrip issues.

The Woodada gas strike was made at the end of May when Strata announced an encouraging gas flow calculated at 6.9m cubic feet per day from the Woodada No. 1 well. The well subsequently flowed at a rate of 32.38m cubic feet a day—large by Australian standards—following stimulation with a 15 per cent hydrocarbon acid solution.

The attraction of the discovery is also enhanced by the fact that it is located around five miles from the existing Dongara-Perth Pipeline which has a capacity of 100m cubic feet of gas per day.

An appraisal well, Woodada No. 2 is currently being drilled 1.2 kilometres west of Woodada No. 1, and is expected to reach target depth of 2,375 metres in the next few days.

The excitement being generated by the discovery pushed Strata's shares up 11p to a peak 126p (after reaching 130p) yesterday, compared with the 10p at which they were changing hands in late May. The Hampton Trust involvement encouraged a 21½p rise in its shares to a 1980 high of 59p (after reaching 61p).

A. J. WORTHINGTON BUYS W. H. WHITE

Textile producer **A. J. Worthington (Holdings)** has acquired for £24,975 cash **W. H. White**, a knitwear manufacturer of Leek, Staffordshire.

In the 12 months to March 31, 1980, White incurred a loss before tax of £53,575 and net tangible assets were £156,265.

A loss of £64,000 is forecast for the first nine months of the current year—mainly a result of severe competition in the knitting industry which was accentuated by cheap imports.

Both companies' knitting and making-up departments will be merged in order to effect economies.

British group invests in Exploration

Noble Grossart, the Scottish-based merchant bank, has led a British investing group in acquiring a 57 per cent stake in **Exploration Holdings Corporation**, the Dallas-based company with a 2¼ per cent net profits interest in the North Sea's Beatrice Field.

The acquisition costs $6m (£2.6m). The holdings in Exploration amount to a 14 per cent stake by Noble Grossart, 20 per cent by the Heron Corporation, 12 per cent by Edinburgh Securities, 7 per cent by Scottish Northern Investment Trust and 4 per cent by the John Wood Group.

Moray Petroleum, the Dallas group's UK subsidiary, will be developed by the new shareholders for participation in the seventh round of North Sea licence applications. A sum of £1.7m has been raised by Noble Grossart for this purpose.

Braham Millar setback

EXCEPTIONALLY difficult trading conditons meant that pre-tax profits of **Braham Millar** dived from £452,441 to £143,953 for the year ended March 31, 1980.

The net total dividend of this mechanical engineer is being cut from 1.666p to 0.6p, with a reduced final of 0.3p (1.066p).

Midterm profits tumbled to £64,296 (£213,842). However, the directors said prospects had improved and, if the second half was reasonably free from industrial strife, trading results should show an improvement.

They now say the group was hit by the disruption and cost caused by the engineering and steel strikes, and the effect of the strong pound on the competitive position of the company's substantial export business.

Although the present order level is reasonable, they add, the prospects are that adverse trading conditions will continue during the current year.

Turnover for the period under review amounted to £8.55m, against £7.84m. After tax of £77,498 (£74,278), stated earnings per 10p share were down from 3p to 0.5p.

The pre-tax surplus was struck after increased depreciation of £219,441 (£170,845).

In 1977-78, the group turned in profits of £1.09m. The setback in the following year was due to the revolution in Iran, political problems in Iraq and Nigeria, coupled with fierce competition from countries with large resources of cheap labour and low overheads, the directors explained in the last annual report.

L & G new business expands

AN INCREASE in worldwide life and pensions new business for the first half of 1980 is reported by **Legal and General**, Britain's second largest life assurance group.

New annual premium income rose by £3.3m to £46.4m during the period, while new single premiums were £6.2m higher at £18.9m.

Worldwide individual new life business totalled £14.3m (£13.8m) annual premiums, and £6.7m (£4.4m) single premiums. The UK figures were £13.2m (£12.4m) annual premiums and £6.6m (£4.4m) single premiums.

Mr. Ron Peet, group chief executive, says individual new life business in the UK was affected by reduced activity in the house purchase and small pension scheme markets.

The unit linked subsidiary continues to grow at a very satisfactory rate, he adds.

UK pensions and group life business, including managed funds, accounted for £30.6m (£27.9m) annual premiums and £11.6m (£8.2m) single premiums.

Advani calls for support

Mr. V. J. Advani, chairman of Grovebell, has written to holders of **Bond Street Fabrics** calling for their support in his attempt to get himself and four associates on to the Bond Street board.

The chairman—whose company has 28.9 per cent of Bond Street—says that his intention is to work closely with the existing management but says he is "particularly distressed that the board of Bond Street has not found it possible to co-operate with us."

Mr. Advani claims he does not want to remove any of the existing directors but to seek to "work constructively with them for the future."

He says that during his short term of office at Grovebell "it was apparent to me that there was a lack of budgetary and cash flow procedures." Referring to Bond Street's announcement of an interim dividend at a time of continuing losses Mr. Advani says he considers the decision unjustifiable and "hence the urgent necessity to supplement the board of directors has been further vindicated."

MINING NEWS

Anglo group £430m OFS gold mining merger

BY KENNETH MARSTON, MINING EDITOR

DETAILS ARE announced for the biggest South African gold mining merger on record, a bringing together of the Anglo American Corporation group's Free State Saaiplaas, Western Holdings and Welkom gold mines, the shares of which had a combined market value prior to the suspension of trading at the start of this week of some £430m. Trading in them is to be resumed on Monday.

The basic reason for the deal is to allow the profitable mining of the low grade gold and uranium Erfdeel-Dankbaarheid area of some 4,130 hectares (10,205 acres) which adjoins the northern boundary of the Free State Saaiplaas mine in the Orange Free State.

Mining rights to the area are owned as to 60 per cent by the Anglo group and 40 per cent by Lonrho's Duiker Exploration.

As it stands, the area could not be profitably developed as a mine in its own right. It contains some 62m mineable tonnes of ore with a low recovery grade of 4.5 grammes gold per tonne plus a uranium by-product of 0.2 kilogrammes per tonne. It will take about six years to be brought to the production stage.

Meanwhile both Welkom and the adjoining Western Holdings gold mines have relatively limited remaining lives. The idea, therefore, is to combine the two properties into Western Holdings in order to make more economical use of their ore hoisting and treatement plant facilities.

The new Erfdeel area is to be mined as part of Free State Saaiplaas. In turn, Free State Saaiplaas will cede its enlarged mining lease area to Western Holdings.

This will provide tax advantages and enable use to be made of the facilities of the Welkom and Western Holdings' mines in the exploitation of the new Erfdeel area. Thus, Erfdeel is to be exploited with the aid of the neighbouring three mines.

Gross revenue and expenditure of the new Erfdeel area will be shared as to 15 per cent by Western Holdings and 85 per cent by a new company to be formed.

Initial holders of the new company will be Anglo American and participants 44.5 per cent, *Anglo American Gold Investment* 9.5 per cent, Duiker 36 per cent and Western Holdings 10 per cent. A listing for the shares in the new company will be considered in due course.

The scheme is that Western Holdings should acquire the assets of Welkom and Free State Saaiplaas by the issue of its shares to those companies. Welkom will receive 3.[illegible]m shares in Western Holdings and Free State Saaiplaas will receive 3.65m shares in Western Holdings.

At the same time, it is proposed that Free State Saaiplaas will become a wholly-owned subsidiary of Welkom and shareholders of Free State Saaiplaas will receive 50 shares of Welkom for every 100 Free State Saaiplaas: the shares in Welkom acquired by Free State Saaiplaas will not be among the assets to be acquired by Western Holdings.

It is a typically complicated mining deal and is largely made so by the make-up of the ownership of the mineral rights concerned. But in essence, it will allow the profitable exploitation of a low grade area, make use of tax allowances and prolong the lives of the investment in gold held by shareholders in the companies concerned.

Western Deep to raise £65.6m

A DEBENTURE issue to raise R120m (£65.6m) and carrying interest at 12 per cent plus options on ordinary shares is to be made by South Africa's Western Deep Levels gold mine to help finance its major expansion into the neighbouring Western Ultra Deep Levels ground. As earlier reported the expansion will cost a total of some R715m (£391m).

The proposed debenture issue plus surplus cash resources will finance the new shaft system required at Western Deep Levels and, it is stated, the mine's dividends will thus be much the same between 1980 and 1985 as they would have been without the new shaft.

Shareholders in Western Deep Levels will be invited to subscribe for R60m debentures in the ratio of R240 debentures for every 100 shares held. A further R60m debentures will be subscribed by Western Ultra Deep Levels and Witwatersrand Deep. The debentures will be redeemed by way of eight drawings between 1986 and 1993.

Debentures to be offered to Western Deep Levels holders will cary arn option to subscibe for ordinary shares at a price of R60 (£32.80) per share—they were £22 yesterday—in the ratio of four options for every R240 debentures subscribed. Option holders will be allowed to exercise their rights between 1986 and 1990 inclusive, either in cash or by tendering the debentures at their par value of R1 each.

As part of the deal Western Ultra Deep and Witwatersrand Deep, who own mineral rights in the new area—are to be given Western Deep shares of a special class—respectively 454,078 and 95,922 shares—and these shares will carry a special dividend after which they will rank equally with the existing Western Deep Levels shares.

BIDS AND DEALS

Mackinnon is new Dawson target

FOLLOWING hard on the heels of its offer for Henry Ballantyne, the cash rich textile specialist, **Dawson International** has made an agreed £1.67m bid for another Lowlands-based loss-making knitwear group, **Mackinnon of Scotland.**

Dawson is not dipping into its substantial cash resources this time, however, since it is offering two of its own shares for every five Mackinnon. The bid values each Mackinnon share at 48p. They rose 22p yesterday to stand at a ½p discount to the offer price. Dawson has added a cash alternative worth 48½p per share. The bidder is also offering 85p in cash for each 7.25 per cent preference share and 92.5p cash for every 8.5 per cent preference share.

Again, the Scottish Development Agency is involved and the offer is conditional on the SDA subscribing for 423,529 ordinary Mackinnon shares at a total price of £120,000. Together with other irrevocable acceptances, the bid has been accepted by 67.8 per cent of the enlarged equity. Taking account of the subscription, net worth at October last was around £1.5m. The group lost £138,000 in the year to that date.

Mackinnon is a substantial customer of Dawson's yarn manufacturing division and has a long-standing relationship with Marks and Spencer. The bidder believes that Mackinnon has sufficient potential capacity to handle a considerable increase in output to meet an expected sales increase. The aim is not only to strengthen Mackinnon's existing customer ties but to push its production through Dawson's extensive international marketing network.

KUWAIT BUYS INVESTMENT TRUST STAKES

The investment trust sector continued to attract buyers yesterday.

The Kuwait Investment Trust announced the purchase of significant stakes in three trusts, as a result of which it now owns 5.7 per cent of Sterling Trust, 10.31 per cent of English and Scottish Investors and 6.03 per cent of Lake View Investment Trust.

Earlier this week the National Coal Board pension funds also bought heavily in the sector. Among their holdings is a 12 per cent stake in Lake View.

FOSECO MAKES £1.5M GERMAN PURCHASE

A subsidiary of **Foseco Minsep**, the UK metallurgy, building product and special chemicals group, has acquired **Hermanns and Company**, the West German adhesives manufacture, in a deal worth DM 6.1m (£1.5m).

The subsidiary involved is Fosroc Construction Chemicals.

Hermanns and Company, GMBH, based at Radevormwald, near Dusseldorf, produces a range of adhesives for the in-markets.

TILLING ACTIVE AGAIN IN U.S.

Thomas Tilling Inc., the U.S. subsidiary of **Thomas Tilling**, has acquired **American Gear and Supply Company** for $3.2m (£1.3m) in cash. The move marks another part of the U.S. expansion programme by Tilling, one of Britain's largest industrial holding companies.

American Gear is a privately owned manufacturer of products associated with the wireline logging and perforating industry, and other special equipment used in the oil and gas exploration and drilling industry.

SAVOY HOTEL STAKE CHANGES HANDS

The **Kuwait Investment Office** has bought 2.45m "A" shares of **Savoy Hotel** from a subsidiary of **British and Commonwealth Shipping.**

The transaction raises the Kuwait Investment Office holding in Savoy Hotel to 10.3 per cent of the "A" shares and 6.6 per cent of the total votes.

Another 25 per cent of Savoy Hotel "A" shares is held by Rothschild Investment Trust. That block was built up by Trafalgar House Investments for a bid approach in 1970 but sold in 1978 to Grand Metropolitan. Grand Met, in turn, sold the stake to Rothschilds last October.

Savoy Hotel remains firmly in the hands of the directors because of their control of a large majority of the "B" shares. The "B" shares have two votes each while there is only one vote for every 10 "A" shares.

HENSHER SHARES SUSPENDED

SHARES OF **Hensher (Furniture Trades)** were suspended yesterday, at the Board's request pending the outcome of discussions which could lead to an offer for the group.

The suspension price is [illegible] for the "A" ordinary shares and 87p for the ordinary shares, which values the group at £4.1[illegible]m.

Pre-tax profits of Hensher, furniture manufacturer, in the year ending March 31, 1979, were £880,833 compared with £610,550. For the six months ending September 30, 1979, pre-tax profits were £394,878 compared with £341,863.

In the last balance sheet there were fixed assets of £2.17m and net current assets of £1.7[illegible]m.

SUNLEY PAYS £5.5M FOR PROPERTY ESTS. DEVELOPMENT

Sunley Holdings, subsidiaries of which include Bernard Sunley and Sons and Sunley Investments, has acquired **Property Estates Development**, the housebuilder, in a deal worth about £5.5m.

Croydon-based Property Estates Development has been renamed Sunley Estates. The deal was described yesterday by Sunley as one which would complement its own construction and property activities.

Property Estates Development which had trading profits of about £700,000 in the year to August 31, 1979, has 10 development sites throughout Surrey, Sussex and Kent and a land bank in excess of 1,500 units.

Results due next week

Pre-tax profits from **Distillers** are unlikely to show more than a 5 per cent rise from last year's £180m when the figures are unveiled on Thursday. Dull trading in the U.S. combined with strong sterling will have made for an unexciting contribution from North America. Meanwhile, however, the Venezuelan market has improved after earlier troubles there. Restocking at home could also help profits to rise as could a surplus of up to £5m resulting from the sale of BP shares during the year. Analysts are therefore hedging their bets and forecasting within a range of figures from £180m to £190m. The dividend increase may also be slim, possibly not much more than a 10p total after 9.75p last time. Last year's current cost cover was 1.6 and Distillers may not want to see it drop much below that level.

Estimates of interim pre-tax profits from **Rank Organisation**, which are to be announced on Monday, range from £58m to £70m compared with £64.4m last year. The wide range is due largely to uncertainties about the effect of currency movements and increased competition on Rank Xerox's results. Rank's own performance has probably been dull but steady as the impact of a decline in the tourist trade will be deferred mainly into the second half. One question is how much of the costs of closing the losing film operation will be taken above the line. A 10 per cent increase in the dividend would satisfy most.

The interim figures from **Lonrho** next Thursday should show that the company is entering a more buoyant phase. Profits before tax could well touch £50m, compared with £37.1m last time. This comparison masks the true extent of the growth, however, since last year's figures included £6m of over-provision for depreciation no longer required, and this item will not appear in the latest profit and loss account. The consolidation of SUITS will have helped the figures but the main impetus is almost certain to have come from mining, which will be seeing at least some of the benefit from higher gold and platinum prices. Profits from sugar will not affect first half earnings but should add a gloss to the full-year return.

Analysts are expecting pre-tax profits up from £43.4m to around £51m when **Unigate** announces its preliminary figures on Thursday. The company will have benefited from high interest rates over the second half, since little of the £55m of cash received from the Milk Marketing Board sale late last year has yet been reinvested. The meats division will have had a very strong year, with profits rising from £6.4m to perhaps £9m and the foods business should also have done well. Growth in the transport division probably slackened during the second half and overseas profits will have been hit by sterling conversion rates, but higher margins on the dairy side should more than compensate for a slight downturn in volume.

About 80 per cent of **Gestetner** profits come from outside Britain so its interim results, due next Tuesday, stand to be hit severely by the high level of sterling. Estimates of pre-tax profits range from £7m to £9m compared with £11.4m in 1979 and there is no expectation of an increase in the dividend. Competition from less expensive copiers from Japan has become more severe but Gestetner's volume is believed to have had a reasonable rise in the first half.

Two major discount houses, Union Discount and Alexanders Discount, report interim results on Monday in the customary clipped terms with few figures. Both should have done well against a background of interest rates poised to fall. After two disappointing years, and strains on inner reserves, Alexanders should be recovering and benefiting from its New York office opened last November. The dividend may be held at 4.5p a share. Union may increase its dividend to 7p from 6.375p.

Lloyds Bank will be the first of the four major clearing banks to release interim figures when it makes its announcement next Friday. Analysts expect an improvement to better than £160m pre-tax against last year's £123m in the first six months. Behind the rise in earnings will have been a healthy loan volume, helpful interest rates and a solid contribution from the international division. But this could be the last set of bank figures to reflect rising interest rates—the clearers have begun the second half with a one-point cut in their base rates. In the full year outside forecasters are estimating around £310m against £276.6m last year. The interim dividend, if it is 15 per cent higher, will stand at just over 7p.

Next week's batch of company results will also inclde preliminary figures from LRC International on Monday, Magnet and Southerns on Tuesday and Fodens on Thursday. On Wednesday, Associated Newspapers and Birmid Qualcast report their interim performances.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Atlantic Assets Trust	Monday	—	0.95238	—
Black Arrow Group	Friday	0.7	1.5	0.9
Carclo Engineering Group	Monday	1.6954	3.5048	2.6
Christie-Tyler	Thursday	1.8	4.7	2.0
Crossfriars Trust	Wednesday	1.35	2.82	2.0
Diamond Stylus (The)	Monday	0.2837	0.5949	0.2964
Distillers (The)	Thursday	3.0	6.75	3.0
Firth (G. M.) Metals	Thursday	1.5	1.5	1.5
Fodens	Thursday	—	2.611	—
Glove Investment Trust	Tuesday	2.5	3.1	3.55§
Graig (Shipping) (The)	Wednesday	—	14.0†	6.0
Haslemere Estates	Thursday	1.1	3.37	1.25
HAT Group	Tuesday	0.825	0.885	1.0
Hollis Bros. and ESA	Thursday	1.298	3.82272	1.4
Jones, Stroud (Holdings)	Tuesday	2.0	3.2	2.0
LRC International	Monday	0.898	1.53	0.698
Magnet and Southerns	Tuesday	1.73704	4.0	3.0
Marling Industries	Thursday	0.36667	0.46667	0.42
Meyer (Montague L.)	Monday	2.0	3.75	2.25
Murray Northern Investment Trust	Monday	0.53333	0.96667	0.6
Nova (Jersey) Knit	Thursday	1.0	1.5	1.5
Sheffield Refreshment Houses	Friday	0.67	1.62	0.7
Syltone	Thursday	1.5633	5.4367	1.8
Trustees Corporation (The)	Thursday	0.6	1.4	0.9
Unigate	Thursday	1.5	3.2	2.0
Vinten Group	Monday	0.5	2.0	1.0
Warner Holidays	Monday	0.35	1.5	0.5
Wellman Engineering Corporation (The)	Thursday	1.265	1.41	1.6
Western Board Mills	Wednesday	1.4	3.0	1.7
INTERIM DIVIDENDS				
Associated Newspapers Group	Wednesday	8.425‡	8.5	

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
Berisfords	Thursday	1.2	2.8	
Birmid Qualcast	Wednesday	1.5	2.5	
Daily Mail and General Trust	Wednesday	14.399a‡	15.728	
Dewhurst and Partner	Friday	0.32	0.601	
Gestetner Holdings	Tuesday	2.5	2.75	
Glasgow Stockholders Trust	Friday	1.59131¶	2.2	
Glass, Glover Group	Thursday	0.51656b	1.4335	
Kershaw (A.) and Sons	Monday	2.4	19.35	
Ladies Pride Outerwear	Tuesday	1.16667	1.66667	
Lloyds Bank	Friday	5.95238	7.61905	
Lonrho	Thursday	2.64	5.68††	
Lowe (Robert H.)	Friday	0.665	1.5125	
Meldrum Investment Trust	Tuesday	1.0	2.0**	
Neil and Spencer Holdings	Tuesday	1.4	2.1	
Rank Organisation (The)	Monday	4.8	6.0	
Romney Trust	Friday	1.0‖	3.39	
Scott (David) Group	Thursday	0.537	1.5	
Union Discount of London (The)	Wednesday	6.375	13.625	
INTERIM FIGURES				
Crescent Japan Investment Trust	Tuesday			
Deanson (Holdings)	Monday			
Greenfriar Investment	Thursday			
Parambe	Wednesday			
Rank Precision Industries (Holdings)	Monday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes anniversary dividend of 10.0p. ‡ Total of first and second interim. § Includes non-recurring dividend of 0.8p. ¶ Includes non-recurring dividend of 0.4413p. ‖ Includes special dividend of 0.69p. ** Includes special dividend of 0.5p. †† Includes special dividend of 1.0p. The following are compensating dividends included to allow for the change in the tax rate: a 0.127, b 0.1.

RESULTS AND ACCOUNTS IN BRIEF

EVANS OF LEEDS (property investment group)—Results for year to March 31, 1980, reported June 27. Shareholders' funds £22.27m (£21.22m): bank balances and cash £1.67m (£2.09m); borrowed money £7.54m (£6.67m): figures restated for adoption of SSAP 15. Meeting, Queens Hotel, Leeds, August 1, 12.15 pm.

RENOLD (power transmission products and machinery group)—Results for year to March 30, 1980, already known. Shareholders' funds £91.86m (£100.14m): bank overdrafts and advances, UK £6.85m (£4.74m), overseas £8.26m (£7.27m). Meeting, Wythenshawe, Manchester, July 31, 2.30 pm.

VALOR COMPANY (heating and cooking appliance manufacturer)—Results for year to March 31, 1980, reported with prospects June 13. Shareholders' funds £15.4m (£13.63m); bank balances and cash £2m (£1.97m); loans £3.1m (£3.65m); bank overdraft £71,000 (nil). Meeting, Tallow Chandlers Hall, 4, Dowgate Hill, EC, July 24, noon.

COUNTRY AND NEW TOWN PROPERTIES—Results for year to January 31, 1980, already reported. Shareholders' funds £11.79m (£9.38m). Freehold and leasehold properties £34.34m (£31.01m). Directors estimate that value of group's properties to be not less than £10m in excess of book, after minorities but before deferred tax and any future material currency changes. Group still has to benefit from holding in the Strand, both in terms of income and appreciation. Meeting, 6-11, Agar Street, WC, July 31, at noon.

N. BROWN INVESTMENTS (direct mail order)—Results for 52 weeks to March 1, 1980, already known. Shareholders' funds £4.79m (£3.93m): bank overdrafts £3.41m (£3.85m); bank balances and cash £21,229 (£46,934); debtors £8.27m (£6.8m); sale of fixed assets £624,000 (£30,000). Historical pre-tax profits of £1.67m (£1.01m) reduced to £1.52m on CCA basis. Meeting, Midland Hotel, Manchester, July 31, 2.30 pm.

PORVAIR (manufacturer of microporous synthetic materials)—Results for six months to May 31, 1980: Turnover £3.35m (£2.86m): profits £125,000 (£118,000). Tax nil (same). No interim dividend will again be paid. Company is a subsidiary of Inmont (UK), and its ultimate holding company is United Technologies Corporation.

CONTINENTAL AND INDUSTRIAL TRUST—Results for year to May 31, 1980, already reported. Shareholders' funds £53.67m ([illegible]); Unrealised surplus £26.55m ([illegible]). Meeting, 120, Cheapside, EC, July 30, at noon.

JONAS WOODHEAD AND SONS (automotive products and engineering group)—Results for year to March 31, 1980, reported June 14. Shareholders' funds £26.42m (£24.07m), bank overdrafts and advances £4.76m (£5.68m); bank and cash balances £62,000 (£321,000). Chairman states that recessional signs now evident in the vehicle industry give cause for concern. Meeting, Parkway Hotel, Leeds, August 1, at 2.30 pm.

COALITE GROUP—Results for year to March 31, 1980, already reported with details of rights issue. Shareholders' funds £67.58m (£55.73m). Net current assets £45.41m (£34.93m). Meeting, Savoy Hotel, Strand, July 30, at noon.

GENERAL CONSOLIDATED INVESTMENT TRUST—Interim dividend 2.25p (2p) for 1980. Board expects to recommend total of not less than 5.8p (5.53p). Gross revenue for half-year to June 30, £878,518 (£766,513). Net revenue £490,740 (£389,461) after tax £89,195 (£80,279), etc. Earnings per share 2.63p (2.1p).

BRITISH DREDGING COMPANY (aggregates, construction and dry dock group)—Results for 1979 given in full preliminary report on June 25. Shareholders' funds £3.93m (£4.51m); bank overdrafts £1.41m ([illegible]); bank loans £1.05m (£1.4m). Historical [illegible] on CCA basis. Meeting, Cardiff, July 31, 11 am.

ELLIOTT GROUP OF PETERBOROUGH (building, furniture and joinery manufacturer)—Results for year to March 31, 1980, reported June 23. Shareholders' funds £5.39m (£5.83m); cash and bank balances [illegible]; loans £150,000 (£200,000); bank overdrafts and short-term loans £4.52m (£2.54m). Meeting, Great Eastern Hotel, EC, July 29, 12.15 pm.

UNITED KINGDOM PROPERTY COMPANY—Results for year to March 31, 1980, reported July 1. Shareholders' funds £31.32m (£27.47m). Cash and bank balances £539,000 (£588,000). Bank borrowings (secured) £2.89m (£1.39m). Ultimate holding company is Tais Holding SA (incorporated in Panama). Meeting, 18 Hans Road, SW, July 23, 10 am.

BARADOORA TEA HOLDINGS—Results for 1979 reported on June 23, 1980. Shareholders' funds £1.3m ([illegible]); cash at estates and at bankers [illegible] (£75,757); bank loans and overdrafts £401,408 (£6,434). Chairman says weather conditions during the current season have so far been normal but not unusually favourable. The crop is presently ahead of both last year and 1978 and prospects appear to be [illegible]

[illegible]

Decline in return on capital shown by balance-sheet analysis

TRADING PROFITS of 381 industrial companies reporting between mid-October, 1979, and mid-January, 1980, rose by only 10.4 per cent, according to the latest FT survey on industrial profits.

The previous survey, covering the period between mid-July and mid-October, showed 172 industrial companies reporting profits ahead by 12.2 per cent.

In the analysis of the industrial sector, of the 30 areas covered, 24 showed gains but these were substantially offset by sharp falls in three other areas. Outstanding gains were made in breweries with a rise of 31.4 per cent; food retailing 29.5 per cent; shipping 28.4 per cent, distilleries and wines 28.1 per cent, and motor distributors 22.3 per cent.

On the minus side, the falls were: toys and games, 21.4 per cent; electronics, radio and TV, 21.3 per cent; and motors and components, 17.3 per cent.

The financial sector showed a rise of 24.3 per cent in trading profits based on nine sectors. Here, the outstanding feature was oil with a jump of 75.1 per cent, followed by banks and hire purchase with gains of 31.9 per cent and 28.8 per cent respectively. The commodities sector was up 18 per cent boosted by tea with a rise of 40.4 per cent and mining with an increase of 39.2 per cent.

Among the best performers of the industrial group, food retailing increased ordinary dividends by 50.7 per cent while the return on net capital employed went up from 21.7 per cent to 23.4 per cent. Distilleries and wines increased dividends by 48.6 per cent and the return on capital employed increased from 12.5 per cent to 17.1 per cent. Motor distributors lifted dividends by 47.3 per cent with the return on capital falling from 20.2 per cent to 18.4 per cent.

Dividends by electronics, radio and TV companies fell by 37.2 per cent, and the return on capital employed dropped from 18.4 per cent to 10.5 per cent. Toys and games companies raised dividends by 12 per cent while the return on capital employed went down from 24.6 per cent to 14.6 per cent.

Dividends paid by the oil companies advanced by 172.4 per cent, while the return on capital employed jumped from 28.8 per cent to 43.8 per cent. Teas lifted dividends by 70.6 per cent, and the return on capital employed increased from 15.5 per cent to 21.7 per cent.

TREND OF INDUSTRIAL PROFITS

ANALYSIS OF 509 COMPANIES

The Financial Times gives below the table of company profits and balance-sheet analysis. This covers the results (with the preceding year's comparison in brackets) of 509 companies whose account year ended in the period between October 15, 1979, and January 14, 1980, which published their reports up to the end of May, 1980. (Figures in £000).

INDUSTRY	No. of Cos.	Trading Profits (1)	% chnge	Profits before Int. & Tax (2)	Pre-tax Profits (3)	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap % (9)	Net Current assets (10)
BUILDING MATERIALS	36	411,285 (364,212)	+12.9	301,308 (267,656)	241,868 (227,065)	62,363 (75,548)	172,845 (144,684)	+19.5	59,189 (48,149)	+22.8	198,072 (174,754)	1,798,735 (1,539,838)	16.8 (17.5)	626,081 (558,098)
CONTRACTING & CONSTRUCTION	26	246,787 (226,602)	+8.9	186,198 (166,968)	157,056 (149,361)	50,048 (61,964)	101,015 (78,531)	+28.6	22,684 (13,864)	+63.6	133,973 (116,427)	991,713 (835,203)	18.8 (20.2)	308,399 (264,799)
ELECTRICALS (EX ELECTRN, ETC.)	6	121,444 (107,048)	+13.4	93,220 (80,841)	76,782 (67,545)	19,802 (29,803)	46,887 (29,982)	+56.4	14,798 (13,244)	+11.7	58,151 (41,018)	458,256 (420,153)	21.3 (19.2)	171,665 (163,027)
ENGINEERING	56	1,108,653 (1,079,389)	+2.7	858,704 (858,226)	649,423 (722,243)	180,190 (237,872)	432,972 (448,686)	—3.5	153,555 (131,935)	+16.4	506,397 (517,275)	6,024,400 (5,395,035)	14.3 (15.9)	2,402,473 (2,283,274)
MACHINE TOOLS	6	16,188 (16,175)	+0.1	11,607 (12,029)	8,427 (9,728)	2,978 (3,172)	5,360 (6,533)	—18.0	2,385 (2,178)	+9.5	6,661 (7,758)	98,767 (91,036)	11.8 (13.2)	57,500 (55,973)
MISC. CAPITAL GOODS	10	27,238 (24,966)	+9.1	20,964 (19,565)	15,876 (16,284)	3,868 (4,464)	11,682 (11,064)	+5.6	2,966 (2,630)	+12.8	13,636 (12,988)	126,454 (106,265)	16.6 (18.4)	69,174 (62,226)
TOTAL CAPITAL GOODS	150	1,931,691 (1,818,386)	+6.2	1,471,991 (1,407,287)	1,149,430 (1,192,226)	319,247 (413,823)	770,761 (719,480)	+7.1	255,517 (211,997)	+20.5	916,890 (870,220)	9,478,305 (8,377,530)	15.5 (16.8)	3,634,292 (3,387,397)
ELECTRONICS RADIO & TV	3	20,265 (25,761)	—21.3	15,680 (20,489)	8,675 (18,995)	2,029 (7,597)	6,604 (11,385)	—42.0	3,319 (5,283)	—37.2	8,966 (10,808)	130,606 (111,429)	10.5 (18.4)	47,133 (57,336)
HOUSEHOLD GOODS	15	43,506 (45,266)	—3.9	29,845 (33,638)	23,782 (28,626)	7,896 (11,693)	15,565 (16,626)	—6.8	6,484 (6,484)	0.0	21,126 (20,336)	248,659 (239,301)	11.8 (14.0)	131,573 (127,944)
MOTORS & COMPONENTS	5	162,171 (196,186)	—17.3	108,944 (110,858)	50,834 (67,416)	30,986 (30,111)	17,132 (28,540)	—40.0	11,326 (11,144)	+1.6	57,475 (66,823)	1,023,560 (1,019,577)	10.6 (10.9)	396,755 (388,122)
MOTOR DISTRIBUTORS	14	106,788 (87,318)	+22.3	74,504 (64,593)	51,464 (51,927)	8,129 (12,348)	42,689 (38,985)	+9.5	11,709 (7,950)	+47.3	63,595 (61,236)	408,057 (319,533)	18.4 (20.2)	111,597 (98,971)
TOTAL CONSUMER DURABLES	38	332,728 (354,531)	—6.1	225,573 (229,478)	134,635 (166,964)	49,040 (61,749)	81,890 (95,436)	—14.2	32,838 (30,861)	+6.4	151,152 (149,204)	1,807,872 (1,689,840)	12.5 (13.6)	687,058 (672,373)
BREWERIES	1	4,670 (3,555)	+31.4	4,145 (3,175)	4,006 (3,094)	1,755 (1,028)	2,251 (2,066)	+8.9	842 (658)	+28.0	1,754 (1,651)	29,811 (26,752)	14.2 (11.9)	—496 (—612)
DISTILLERIES & WINES	3	8,667 (6,764)	+28.1	7,617 (5,836)	5,477 (4,334)	533 (304)	4,944 (4,030)	+22.7	1,064 (716)	+48.6	4,627 (3,997)	44,555 (46,704)	17.1 (12.5)	17,593 (17,874)
HOTELS & CATERERS	6	114,462 (96,065)	+19.1	94,329 (79,602)	73,022 (60,819)	27,614 (23,865)	43,762 (35,374)	+23.7	17,780 (12,011)	+48.0	44,264 (38,448)	651,667 (599,309)	14.5 (13.3)	18,168 (39,529)
LEISURE	9	118,674 (100,624)	+17.8	101,335 (87,427)	86,515 (75,820)	34,440 (33,546)	50,042 (40,904)	+22.3	15,505 (12,184)	+27.2	50,025 (40,116)	435,708 (374,927)	23.3 (23.3)	—13,179 (—16,306)
FOOD MANUFACTURING	12	688,599 (675,058)	+2.0	559,789 (563,507)	483,594 (500,749)	160,380 (217,508)	311,495 (271,790)	+14.6	78,275 (66,040)	+18.5	356,006 (312,276)	2,988,601 (2,733,832)	18.7 (20.6)	1,123,966 (1,061,078)
FOOD RETAILING	4	13,492 (10,420)	+29.5	10,507 (8,020)	9,323 (7,770)	1,482 (2,186)	8,434 (5,576)	+51.2	1,599 (1,061)	+50.7	9,250 (6,312)	44,916 (36,990)	23.4 (21.7)	12,382 (9,433)
NEWSPAPERS AND PUBLISHERS	19	106,822 (106,272)	+0.5	85,016 (88,446)	71,657 (78,478)	31,825 (31,358)	38,586 (45,945)	—16.0	10,897 (10,354)	+5.4	45,207 (50,356)	417,549 (369,479)	20.6 (23.9)	125,984 (145,741)
PACKAGING AND PAPER	9	114,951 (100,114)	+14.8	74,621 (66,182)	58,307 (66,130)	15,669 (21,788)	39,978 (31,714)	+26.1	12,705 (11,428)	+11.2	58,174 (46,456)	495,637 (421,837)	15.0 (15.7)	194,046 (156,170)
STORES	5	98,088 (88,249)	+11.1	81,896 (75,088)	70,725 (69,384)	23,978 (14,627)	46,557 (54,621)	—14.8	21,182 (18,856)	+12.3	39,038 (46,896)	730,398 (685,433)	11.2 (11.0)	100,639 (81,113)
CLOTHING AND FOOTWEAR	24	81,587 (69,894)	+16.7	64,783 (55,862)	55,955 (50,230)	13,367 (17,654)	43,527 (31,836)	+36.1	10,087 (6,899)	+46.2	45,631 (35,334)	313,634 (247,464)	20.7 (22.6)	157,193 (136,172)
TEXTILES	13	47,618 (50,540)	—5.8	32,684 (36,339)	19,030 (27,634)	4,484 (6,092)	13,258 (20,022)	—33.8	4,395 (6,107)	—28.0	22,822 (28,152)	285,334 (260,364)	11.4 (14.0)	126,281 (127,009)
TOBACCO	2	875,065 (791,635)	+10.5	705,563 (664,483)	584,672 (564,084)	187,220 (187,786)	372,174 (350,993)	+6.0	112,770 (93,479)	+20.6	396,230 (364,330)	4,809,088 (4,946,942)	14.7 (13.4)	942,644 (1,385,972)
TOYS AND GAMES	2	5,226 (6,653)	—21.4	3,634 (5,366)	2,231 (4,756)	113 (1,865)	2,113 (2,904)	—27.2	636 (568)	+12.0	2,759 (3,338)	24,893 (21,800)	14.6 (24.6)	9,216 (9,858)
TOTAL CONSUMER NON-DURABLES	109	2,277,891 (2,105,848)	+8.2	1,826,758 (1,739,333)	1,525,115 (1,503,262)	502,860 (559,589)	976,921 (897,775)	+8.8	287,735 (240,341)	+19.7	1,074,767 (977,664)	11,270,981 (10,771,233)	16.2 (16.1)	2,814,437 (3,153,031)
CHEMICALS	20	1,447,273 (1,214,998)	+19.1	997,233 (833,524)	832,464 (688,707)	140,632 (149,159)	659,814 (505,365)	+30.6	183,400 (140,368)	+30.7	783,252 (654,175)	6,037,857 (5,332,235)	16.5 (15.6)	1,834,044 (1,743,363)
OFFICE EQUIPMENT	8	236,206 (227,451)	+3.4	208,539 (201,799)	177,790 (175,283)	66,362 (63,333)	105,026 (88,813)	+18.3	35,950 (23,116)	+55.5	93,217 (84,551)	964,511 (950,693)	21.6 (21.2)	224,596 (227,590)
SHIPPING	10	263,813 (205,484)	+28.4	174,453 (121,364)	82,898 (44,803)	20,607 (14,184)	60,284 (27,401)	+120.0	24,285 (21,580)	+12.5	115,052 (79,685)	1,687,720 (1,643,683)	10.3 (7.4)	70,928 (663)
MISC. INDUSTRIAL	46	793,784 (667,218)	+19.0	607,284 (531,684)	482,850 (442,064)	122,599 (178,169)	330,735 (239,450)	+38.1	92,210 (68,538)	+34.5	396,300 (295,564)	3,319,020 (2,943,720)	18.3 (18.1)	894,644 (770,518)
TOTAL INDUSTRIALS	381	7,282,216 (6,593,906)	+10.4	5,612,831 (5,064,469)	4,385,182 (4,213,309)	1,223,267 (1,450,006)	2,985,431 (2,573,721)	+16.0	911,936 (736,800)	+23.8	3,589,640 (3,111,063)	34,566,266 (31,708,934)	15.9 (16.0)	10,159,989 (9,954,930)
OIL	10	8,995,794 (5,137,401)	+75.1	7,636,692 (4,201,879)	7,013,968 (3,535,883)	3,417,828 (2,415,185)	3,026,445 (902,265)	+235.4	502,910 (184,655)	+172.4	3,703,283 (1,646,258)	17,426,627 (14,602,005)	43.8 (28.8)	5,332,683 (4,117,188)
BANKS	7	2,394,672 (1,816,247)	+31.9	2,194,917 (1,584,784)	1,788,738 (1,302,528)	600,486 (602,183)	1,142,379 (759,212)	+50.5	165,690 (120,497)	+38.3	1,156,975 (861,146)	8,483,997 (7,151,392)	25.9 (22.2)	2,860,219 (2,523,822)
DISCOUNT HOUSES MERCHANT BANKS etc.	4	20,950 (17,277)	+21.3	— (—)	— (—)	— (—)	6,344 (5,278)	+20.2	2,467 (2,352)	+4.9	— (—)	*2,305,280 (*2,209,827)	— (—)	464,492 (476,101)
HIRE PURCHASE	3	76,364 (59,277)	+28.8	72,625 (55,361)	24,126 (21,552)	2,085 (2,561)	21,946 (19,054)	+15.2	693 (690)	+0.4	24,498 (21,812)	182,184 (159,432)	39.9 (34.7)	62,706 (55,576)
INSURANCE	7	419,229 (427,031)	—1.8	— (—)	— (—)	— (—)	281,220 (283,338)	—0.7	122,885 (105,062)	+17.0	— (—)	12,624,741 (10,839,559)	— (—)	—78,822 (—168,217)
INSURANCE BROKERS	5	174,764 (157,508)	+10.9	140,469 (126,790)	96,006 (100,491)	44,364 (48,077)	49,639 (50,752)	—2.2	23,893 (19,515)	+22.4	56,096 (58,734)	712,003 (616,905)	19.7 (20.6)	86,862 (96,989)
INVESTMENT TRUSTS	64	129,128 (105,275)	+22.7	126,932 (104,012)	109,122 (85,149)	32,450 (32,373)	68,380 (51,008)	+34.1	63,660 (48,317)	+31.8	4,746 (2,714)	1,969,746 (2,006,413)	6.4 (5.2)	16,466 (55,785)
PROPERTY	14	84,855 (71,504)	+18.7	81,646 (68,249)	37,356 (30,800)	12,724 (11,895)	23,205 (17,491)	+32.7	11,896 (8,480)	+40.3	12,805 (10,641)	1,261,858 (958,556)	6.5 (7.1)	50,413 (31,792)
MISC. FINANCIAL	6	42,094 (36,652)	+14.9	32,870 (28,893)	20,563 (19,640)	4,517 (5,552)	15,232 (12,461)	+22.2	5,393 (4,809)	+12.9	16,671 (13,534)	210,800 (169,898)	18.5 (17.0)	56,958 (63,672)
TOTAL FINANCIAL	110	3,342,046 (2,689,749)	+24.3	2,649,259 (1,958,069)	2,075,921 (1,560,060)	696,626 (602,579)	1,608,545 (1,198,569)	+34.2	398,577 (309,722)	+28.7	1,271,790 (968,580)	†12,820,588 (†11,081,596)	20.7 (17.8)	3,519,294 (3,125,520)
RUBBERS	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
TEA	1	226 (161)	+40.4	222 (158)	222 (158)	77 (59)	145 (99)	+46.5	145 (85)	+70.6	— (14)	1,023 (1,022)	21.7 (15.5)	75 (87)
TIN	1	4,395 (3,829)	+14.8	3,847 (3,478)	5,625 (3,478)	768 (815)	2,157 (2,046)	+5.4	516 (459)	+12.4	2,324 (1,912)	12,504 (11,823)	29.2 (29.4)	7,259 (6,609)
MISCELLANEOUS MINING	2	37,819 (27,166)	+39.2	36,393 (26,436)	27,572 (20,419)	12,921 (8,282)	13,551 (11,637)	+16.4	7,438 (6,734)	+10.5	6,116 (4,907)	214,650 (187,896)	17.2 (14.1)	47,032 (38,623)
OVERSEAS TRADERS	4	36,735 (35,953)	+2.2	33,685 (33,408)	27,852 (28,336)	6,078 (9,581)	20,407 (17,977)	+13.5	5,505 (3,741)	+47.2	16,395 (15,307)	162,426 (150,310)	20.7 (22.2)	75,738 (65,343)
TOTAL COMMODITIES	8	79,175 (67,109)	+18.0	74,387 (63,478)	59,272 (52,391)	19,844 (18,737)	36,260 (31,759)	+14.2	13,604 (11,019)	+23.5	24,835 (22,140)	390,593 (351,051)	19.0 (18.1)	130,114 (110,662)

NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.

Col. 1 gives trading profits plus investment and other normal income property belonging to the financial year covered. The figure is struck before charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as, for example, capital profits, unless the latter arise in the ordinary transaction of business.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act, 1948.

Col. 2 gives profits before interest and taxation that is to say profits after all charges except loan and other interest, but before deducting taxation provisions and minority interests. In the case of Banks, no figure can be shown because of non-disclosure (see foregoing paragraph).

Col. 3 gives Pre-tax Profits that is to say profits after all charges including debenture and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporate taxation including Dominion, Colonial and Foreign liability and future tax provisions but excludes adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—

1—Minority interests.

2—All prior charges—sinking fund payments, etc., and Preference dividends and

3—Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding intangibles such as goodwill—plus current assets less current liabilities, except bank overdrafts.

* For merchant banks and discount houses a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

† Excluding merchant banks, discount houses, insurances, etc.

‡ No figures given.

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

SUMMARY WEEK'S COMPANY NEWS

Take-over bids and deals

The most significant development in the Bids and Deals sector this week was British Petroleum's £410m agreed takeover bid for Selection Trust, the mining finance house. The bid is the UK's biggest-ever in cash terms, though Grand Metropolitan's £380m takeover of Watney Mann in 1972 still holds the record in real terms. BP is offering 18 of its own shares for every five Selection Trust with a cash alternative of £12.75 per share. BP won support for its bid after three weeks' negotiations with Selection Trust and Charter Consolidated, the largest shareholder in ST with a 26 per cent stake. Assuming the bid goes through, BP will have made significant progress in its efforts to broaden its interests from oil and gas into other energy and natural resources.

Rowe and Pitman's June 11 "dawn raid" on Marshall Cavendish, when the stockbrokers bought 5.5m shares—27 per cent of the issued capital—at 25p per share on behalf of Times Publishing Berhad, has culminated in an outright 31p per share agreed cash bid from the latter for the outstanding MC shares.

Dares Estates made an agreed £2.59m offer for Stanhope General Investment on terms of £2m cash and/or ordinary shares of 10p for every Stanhope share.

Dawson International, the Scottish textiles group, made an agreed £1m offer for the loss-making unquoted textile concern Henry Ballantyne. The terms are 62.23p cash for each ordinary or "A" ordinary share.

In a move aimed at strengthening and extending the activities of its electrical division, Ransome Hoffmann and Pollard is paying £3.1m in cash and shares for Technograph, a manufacturer of printed and micro circuits and electro servo motors.

Thomas Tilling, through its U.S. subsidiary Clarkson Industries, acquired Airflow Company of Gaithersburg, Maryland, U.S., a manufacturer of temperature and humidity control equipment for $4m cash.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc'tce date
Prices in pence unless otherwise indicated.						
Barget	12*‡	26	18	0.17	Tinnox	—
Bishopsgate Prop.	5*§	5	5	0.36	Bkly. Hambro	—
Christy Bros.	30*	37	33	0.60	Simons & Coates	—
Cray Elect.	31*§	36	34	0.93	Thrgmrtn. Tst.	—
Doloi Tea	270*	275	275	0.29	Tategold	—
Keyser Ullmann	90	88	70††	46.23	Chrtrhse. Grp.	—
Lidstone	280*	360	290	0.51	Greewalk Nominees	—
L. K. Industrial Invs.¶¶	18½*	18	16	0.20	Caparo Invs.	—
Manson Trust	39*	36	33	3.84	Hong Leong Finance	—
Mackinnon Scot.	48½†	47½	25½	1.16	Dawson	—
Marshall Cavendish	31*	30	27	4.60	Times Publshg. Berhad	—
McCleery L'Amie	20§§	18½	17	2.57	Lamont	—
Nationwide Leisure	6*‡	6	9	0.66	Rantlodge	—
Revertex	50	51	44	5.02	Yule Catto	—
Rolls-Royce	66	64	56	39.00	Vickers	—
Selection Trust	£12¾†	£12½	£12¼	405.2	BP	—
Stanhope Gnl. Inv.	200*	195	170	2.56	Dares Ests.	—
Steana Romana	10*	43	7	0.25	Eng. Assoc.	—
Turner (W. & E.)	87½*	85††	48††	9.07	J. Hepworth	—
Unicorn Inds.	125*	116	121	36.49	Foseco Minsep	—
Wolf-Electric	122	116	62	15.72	Dobson Park	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 11/7/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ★ Ordinary share alternative.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Assoc. Leisure	Mar.	5,303	(4,966)	14.3	(12.1)	6.1	(4.25)
Avenue Close	Mar.	524	(699)	4.1	(5.6)	1.97	(1.79)
Bardon Hill	Mar.	1,980	(1,220)	53.7	(30.4)	13.5	(9.5)
Birmingham Mint	Mar.	911	(690)	35.8	(28.7)	10.0	(7.5)
Braithwaite Eng.	Mar.	977	(527)	17.6	(10.5)	7.0	(4.87)
Bristol Post	Mar.	2,410	(1,680)	22.5	(18.8)	9.75	(7.75)
Bromsgrove Cstg.	Mar.	356	(299)	9.8	(7.9)	4.0	(3.5)
Bulmer (H. P.)	Apr.	3,278	(2,570)	24.6	(20.1)	8.54	(7.66)
Colmore Invs.	Mar.	146L	(228)	—	(4.7)	1.0	(2.4)
Courts Furnishers	Mar.	5,358	(5,814)	13.9	(13.8)	3.7	(3.14)
Daejan Holdings	Mar.	4,190	(3,329)	17.0	(13.8)	3.5	(3.25)
Derritron	Dec.	117L	(703)	—	(3.1)	0.57	(0.81)
Downing (G. H.)	Mar.	1,900	(1,936)	18.7	(28.8)	8.75	(7.75)
Harris (Philip)	Mar.	411	(1,150)	14.5	(18.5)	5.5	(5.0)
Heywd. Williams	Apr.	1,040	(1,030)	10.9	(13.0)	4.9	(3.46)
Holtas Group	Mar.	2,020	(1,540)	17.9	(11.1)	6.0	(5.23)
Howden Group	Apr.	7,510	(6,657)	16.6	(15.1)	3.6	(3.13)
Jenkins (R.)	Mar.	68L	(667)	5.1	(51.3)	21.89	(21.89)
Kinta Kellas	Mar.	667	(554)	7.2	(7.1)	5.0	(4.5)
London & Midlnd.	Mar.	3,450	(2,130)	17.0	(15.3)	7.75	(6.75)
May & Hassell	Mar.	1,840	(924)	27.0	(24.8)	4.6	(3.85)
McKay Securities	Mar.	959	(711)	4.9	(5.1)	2.7	(1.6)
Mitchell Somers	Mar.	2,210	(2,610)	11.8	(15.5)	3.5	(3.35)
Moss (Robert)	Mar.	457	(508)	3.3	(4.2)	1.6	(1.53)
New Court	Mar.	500	(217)	3.7	(2.2)	1.0	(0.55)
Polly Peck	Mar.	89†	(2)†	—	(—)	—	(—)
Ratners	Apr.	3,443	(2,559)	10.5	(7.9)	2.3	(1.84)
Rothmans Intl.	Mar.	80,500	(98,200)	21.1	(30.6)	3.11	(2.45)
R'tledge. & K'gan.	Mar.	241	(368)	24.0	(27.4)	4.7	(4.6)
Russell (Alxndr.)	Mar.	977	(812)	13.1	(12.3)	2.0	(1.6)
S & U Stores	Jan.	863	(884)	6.9	(7.0)	—	(—)
Stanhope Genl.	Mar.	106	(110)	5.0	(5.2)	4.25	(3.38)
Sutcliffe Spkman.	Mar.	503L	(407)L	6.6	(—)	—	(1.32)
Toothill (R. W.)	Mar.	117L	(72)	—	(5.7)	—	(2.63)
Union Intl.	Dec.	9,920	(12,170)	—	(—)	10.5	(10.5)
United Gas	Mar.	2,340	(2,520)	12.3	(15.2)	4.9	(4.5)
Waddington (J.)	Mar.	881	(1,680)	7.6	(28.1)	11.9	(11.68)
Watson (Klvn. R.)	Mar.	702	(679)	14.9	(14.7)	3.3	(3.0)
Wrighton (F.)	Mar.	210	(490)	3.9	(4.6)	1.08	(1.08)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Assoc. Fisheries	Mar.	638	(729)	0.25	(0.25)
Bond St. Fabrics	Mar.	59L	(38)L	1.0	(—)
Greenflds. Leisure	Apr.	444	(436)	0.84	(0.84)
Imperial Group	Apr.	68,500	(68,000)	2.75	(2.75)
Jamesons Choclts.	June	70	(210)	1.0	(1.0)
Lincroft Kilgour	Mar.	24	(261)	—	(1.65)
Macpherson (D.)	Apr.	1,300	(2,030)	1.5	(1.5)
NCR	May	3,416	(4,523)	—	(—)
Sotheby Parke	Feb.	4,800	(4,320)	3.5	(3.5)
Watson & Philip	Apr.	379	(400)	1.0	(1.0)
Yule Catto	Apr.	1,190	(1,310)	0.8	(0.8)

(Figures in parentheses are for corresponding period.)

* Dividends shown net except where otherwise stated. † Net loss. L Loss.

Scrip Issues

Avenue Close—One for one.

Rights Issues

McKay Securities—Rights issue on the basis of one for four at 120p to raise £4m.

Polly Peck—Rights issue on the basis of two for five at 75p to raise £1.56m.

† Approximate figures before expenses.

JACKSON GROUP

Jackson Group, the East Anglian construction and industrial services concern, is transferring the business of its subsidiary, Ipswich Computer Services to Geest Computer Services.

ICS sales have grown from £266,366 to £671,317 in the three year since it joined Jackson.

SPAIN

July 11	Price %	+ or −
Banco Bilbao	226	
Banco Central	250	
Banco Exterior	210	
Banco Hispano	229	+2
Banco Ind. Cat.	120	
Banco Madrid	141	
Banco Santander	280	
Banco Urquijo	145	−2
Banco Vizcaya	238	+3
Banco Zaragoza	211	+3
Dragados	79	
Espanola Zinc	80	
Fecsa	59.2	−0.5
Gal. Preciados	23.5	−0.5
Hidrola	64.7	
Iberduero	61.2	−0.5
Petroleos	114.5	+2.5
Petroliber	86	+1
Sogefisa	107	
Telefonica	61	
Union Elect.	65	

Early firmness on Wall St.

STOCKS TURNED narrowly higher in moderate trading on Wall Street yesterday, when Citibank announced a cut in its Prime Rate to 11½ per cent from 11¾ per cent.

By 1 pm the Dow Jones Industrial Average firmed 0.26 to 886.18, reducing its loss on the week to 2.73, while the NYSE All Common Index, at $67.04, rose 9 cents on the day but was still off 3 cents on the week. Trading volume decreased 4.97m shares to 25.75m, compared with 1 pm Thursday.

Manufacturers Bank of Los Angeles also lowered its Prime Rate to 11½ per cent but no major banks followed the move.

Active IBM moved ahead $⅝ to $62¼—it said second quarter net earnings rose to $1.31 a share from $1.15.

Other Computers were also firm. Honeywell added $⅜ at $84⅜, Digital Equipment $⅜ at $72¾ and Texas Instruments also $⅜ at $97⅞.

Volume leader Mobil gained $⅝ to $73½—it said it will begin today to pass through to customers Connecticut's gross receipts tax.

Marley jumped $2 to $25—it was the subject of favourable press comment.

Ford Motor eased $⅛ to $26¼ on its cut quarterly dividend. Proctor and Gamble lost $1 to $73¼.

Fuqua Industries gained $1 to $16—it received Federal Communications Commission approval to sell two TV stations for $40m cash.

Volume leader Warner Communications dipped $⅛ to $43⅞.

THE AMERICAN SE Market Value Index slipped 0.45 to 303.36 but advances led declines by a seven-to-six majority.

Oils were weak. Volume leader Bow Valley Industries eased $⅜ to $18½, Husky Oil, in second place, $⅛ to $16 and Ranger Oil $⅛ to $36¾.

Crestmont Oil, however, jumped $3¼ to $19.

Closing prices for North America were not available for this edition.

Indications are Sundance Oil, which had yet to trade, will open between $43 and $55—it closed Thursday night at $87⅞. Sundance said it had received no takeover proposals after a confidential review of its finances by several parties.

Canada

Markets continued to move lower in fairly active trading around noon yesterday, when the Toronto Composite Index fell 9.4 to 2,104.9 and 11 of 14 sub-indices retreated.

The Oil and Gas Index lost 22.5 to 4,859.5 and Metals and Minerals 8.3 to 1,948.6, but Golds put on 30.2 to 4,560.2.

Germany

Leading equities closed mixed with a slightly weaker overall trend.

But Brown Boveri moved ahead DM 9 to 318 on a contract for a Nigerian power plant worth more than DM 200m.

Stores were broadly higher.

Neckermann shed DM 2.50 to 118, amid renwed rumours of major steps to reduce losses.

Lufthansa were down DM 8 at 78 after paying a dividend and bonus worth DM 4.50. Schering fell DM 5.50 to 190.

In Options trading, interest centred on Calls for Conti Gummi and Chrysler and Puts for Conti Gummi.

Public Authority Bonds were mixed, with prices moving within 30 cents either way. Mark Eurobonds were steady.

Hong Kong

Stocks closed firmer in very active trading, pushing the Hang Seng Index up 17.35 to a new seven-year high of 1,101.14.

Trading was concentrated in market leaders which opened higher after buying interest from London for a new Account starting Monday.

Tokyo

Market declined as Constructions, Oils and companies involved in development of natural resources encountered selling pressure. Volume 250m shares.

Toyota Motor, firm Thursday on its plan to produce small cars in U.S. jointly with Ford, fell Y13 to 757 on profit-taking, while Honda Motor which initially firmed following the news its U.S. subsidiary will expand a proposed car assembly plant, shed Y3 to 552 on late profit-taking.

Oils and Coals continued to fall on liquidations, with Teikoku Oil down Y30 to 1,170, Nippon Oil Y20 to 1,400, Mitsui Mining Y22 to 663 and Matsushima Kosan Y21 to 554.

However, Pharmaceuticals, and some Foods closed higher.

Singapore

A strong all-round performance pushed share prices broadly higher in fairly active trading. The Straits Times Industrial Index climbed 7.58 to 564.58, a seven-year high. Slight bouts of profit-taking were well absorbed.

All sectors shared in the rise. Turnover continued to centre on Banks, but swung back partially to Properties. Plantations, however, were still somewhat subdued.

Car distributors slackened from their strong gains earlier in the week, despite local Press reports of continued firm demand for cars in the face of the Government's policy of discouraging ownership.

But a favourable local Press report on Hume (Far East), and its proposed restructuring of its operations, helped its share price to rise to S$3.04.

Perlis Plantations, an Industrial stock despite its name, further improved to S$4.90 on a rumour that it hopes to take over mining concern, Rahman Hydraulic, in which it already owns a stake.

Paris

Share prices tended easier in thin trading ahead of the July 14 National Holiday and in response to Wall Street's weakness as well as gloomy economic forecasts by the OECD and National Statistics Office.

Elf-Aquitaine shed Frs 12 to 1,257—it is to talk with Cie Francaise des Petroles over assets it is buying from Rhone-Poulenc, off Frs 2.8 to 136.

Banks, Properties, Foods, Cars, Rubbers, Stores, Electrics, Metals and Oils all fell, while Constructions, Engineerings, Chemicals and Transports were mixed.

Among Foreign stocks, U.S. Germans and Oils fell, while Dutch were mixed and Gold Mines were higher.

Switzerland

Share prices narrowly mixed with a firmer bias.

Presse-Finanz eased on its results and intended dividend omission for at least another two years.

Domestic Bonds were steady while Foreign Bonds edged lower.

In a generally quiet Foreign sector, Dollar stocks traded around Thursday's New York closing levels. Dutch Internationals were barely steady. Germans turned mixed. Amgold rose on active demand.

Australia

Shares associated with the Woodada gas find in Western Australia gained in otherwise patchy trading.

Overseas interest in Woodada leader, Strata, pushed the stock 30 cents higher to A$2.50 while affiliates Haoma and Northwest Mining each gained 30 cents to A$3.80 and A$3.35 respectively.

Geometals rose 13 cents to 95 cents—it has a Dungara Basin lease next to Strata's.

Partners, Bridge Oil and Offshore Oil, each held unchanged at A$3.90 and 45 cents respectively.

Leading Mines were generally easier and there was some evidence traders were switching out of the declining Resource sector into the more stable Industrial area, particularly Banks.

CANADA

Stock	July 10	July 9
Abitibi	19⅞	19⅝
Agnico Eagle	15¼	15¼
Alcan Alumn	31⅛	31⅝
Algoma Steel	32	32
Asbestos	37	37⅛
Bk Montreal	28	27⅞

BELGIUM (continued)

July 11	Price Frs.	+ or —
Petrofina	4,940	—10
Royale Belge	5,650	+10
Soc Gen Banq	2,420	—15
Soc Gen Belge	1,482	......
Sofina	3,250	—40
Solvay	2,665	—25
Traction Elect	2,500	—10

HOLLAND

July 11	Price Fls.	+ or —
ACF Holding	71.8	+0.3
Ahold	64.8	+0.7
AKZO	22.8	+0.1
ABN	295.5	—1
AMEV	84.3	+0.3
AMRO	65.4	—0.5

AUSTRALIA

July 11	Price Aust. $	+ or —
ANZ Group	5.00	—0.07
Acrow Aust	1.00	+0.15
Allstate Expl	1.80	—0.05
Ampol Pet	1.45	+0.02
Assoc. Pulp Pap.	2.20	......
Audimco	0.30	......
Aust Cons Ind	2.20	—0.02

JAPAN (continued)

July 11	Price Yen	+ or —
Kubota	372	+1
Kumagai	395	[illegible]
Kyoto Ceramic	3,260	[illegible]
Lion	406	[illegible]
Maeda Cons	510	[illegible]
Makita	1020	[illegible]
Marubeni	169	[illegible]

Indices

NEW YORK —DOW JONES

INTERNATIONAL COMPANIES and FINANCE

Canberra move to discourage tax trusts

By James Forth in Sydney

THE AUSTRALIAN Government is to move to discourage companies from setting up trusts to reduce the amount of company tax paid. Mr. John Howard, Treasurer, has said that the Government intends to move because the trend by companies to form trusts threatens a serious loss of company tax revenue.

Westfield, the property developer, started the trend late in 1978 when it transferred assets to a property trust. Several companies subsequently followed suit. Earlier this year Swan Brewery Company (the Western Australian brewery) announced plans for an innovative linked trust. A major disadvantage for many companies in the Westfield-type schemes is the spinning off of assets but not of liabilities, has an adverse impact on the balance-sheet. The Swan scheme combined the most attractive features of company and unit trust structures.

The linked-trust method was capable of adoption by a much greater range of companies. It is known that Myer Emporium, Australia's largest department store retailer has been working on a linked-trust proposal which could involve property assets of around A$400m (US$470m).

Tooth-Hooker was another likely candidate once the merger of the two groups was completed. It is suggested that several other large companies have been looking at the possibility of adopting linked-trust structures. Mr. Howard said that a number of public companies have recently transferred income-earning assets to unit trusts so as to eliminate company tax on the income from these assets.

Italian telephone group fails to pay dividend

BY RUPERT CORNWELL IN ROME

THE DIFFICULTIES of the Italian telecommunications industry have been underlined by the unprecedented decision of STET, the industry holding company which is controlled by the IRI state conglomerate, not to pay a dividend for 1979.

This follows a drop in STET earnings to only L4.65n from the previous year's L45.8bn ($55m), which in turn reflects the dismal operating performance of its major subsidiaries, most notably the telephone company SIP.

The latter has reported losses of L485bn ($580m) for 1979, and accounts for about 90 per cent of STET's total current indebtedness of L7,250bn.

SIP's financial difficulties have forced the group this year to cut sharply planned investments to modernise the Italian telephone network, with severe consequences for supplies of high technology equipment such as SIT-Siemens, also controlled by STET.

The main cause of SIP's problems has been its failure to secure sufficient increases in telephone charges. To a partial extent this was put right in the latest batch of Government economic measures, under which a substantial telephone tariff rise is probable by the end of the year.

● The overall performance of Teksid, the steel subsidiary of the Fiat group, has shown signs of improvement during the first half of this year with an increase of more than 50 per cent in its turnover from a year earlier.

Sig. Ferdinando Palazzo, Teksid managing director, said the company lost L25.3bn ($30m) last year compared to L40bn in 1978, while turnover increased by 21 per cent to L1,211bn.

The improvement of the company's overall performance follows a broad restructuring and rationalisation programme of Teksid's steel and foundry activities, Sig. Palazzo said.

This has seen the elimination of uneconomic plants and increased specialisation, especially in high value added special steels. To this end, Fiat has invested about L245bn in its iron and steel sector over the last three years.

Triomf lifts profit by 258%

BY JIM JONES IN JOHANNESBURG

TRIOMF FERTILISER, the South African manufacturer of phosphoric acid, has announced a 258 per cent trading profit advance to R14.7m ($19.2m) for the first half to June 30 from R4.1m in the same period of the previous year. Turnover was 68 per cent ahead, at R189m ($247m) against R112.6m.

This compares with a trading profit of R25.1m and turnover of R333.7m for the whole of 1979.

The company's sales pattern was affected by the American ban on exports of phosphoric fertilisers to the USSR. As a consequence, U.S. producers aimed for sales in Brazil, thereby hampering South African sales in the area. Mr. Louis Luyt, the Triomf chairman, said that alternative markets were opened, particularly in Australia, and that he was confident that world markets had scope for growth.

He warned, however, that price competition was likely to persist despite the fact that prices of phosphoric acid's basic building blocks, phosphate rock and sulphur, had risen and freight charges continued to escalate.

Although Triomf expects phosphoric acid prices to rise in the longer term, Mr. Luyt believes that rapid escalation in export prices could lead to consumer resistance, as experienced in 1977.

Triomf is 51 per cent owned by AECI, and 49 per cent by Triomf Fertilizer Investments (TFI). At the taxed level, TFI reports an attributable profit of R6.26m, equivalent to 44.7 cents a share. An interim dividend of 30 cents has been declared and TFI forecasts a final dividend of 60 cents.

Irish newspaper group ahead

By Our Financial Staff

HIGHER sales and profits are reported by Independent Newspapers, Ireland's largest media group, for the six months ended June 1980.

Sales have risen by 22 per cent to Irish £21.3m ($45m) and profits at the pre-tax level have moved up by 11.5 per cent to Irish £2.13m. The interim dividend is 4p a share, against 3.33p.

The company's newspapers, which include the Irish Independent, have increased their circulations.

Swiss bond curbs Kubota

BY RICHARD C. HANSON IN TOKYO

KUBOTA, the diversified maker of agricultural equipment, has reported that its consolidated net profit for the year ended April 15 rose slightly, by 1.9 per cent to Y19.85bn ($91m). Sales were up 7.9 per cent to Y571.7bn ($2.6bn).

The consolidated net profit was less than reported on a parent company basis (Y22.01bn, up 16.8 per cent), because of evaluation losses on the unconverted portion of a Swiss franc convertible bond and some overseas inventories as a result of currency fluctuations.

The best gains in sales were made in products related to housing construction (up 17 per cent) and iron pipe (up 10.1 per cent). Agricultural equipment sales rose 6 per cent, but slipped a little in their share of total sales, partly because of a slowdown in domestic rice production.

Exports, on the other hand rose 15.1 per cent—with shipments of tractors steady—and accounting for 11 per cent of all consolidated sales.

Neckermann shuts large number of stores

By Our Financial Staff

NECKERMANN, the loss-making West German mail order group, is to close more than a quarter of its retail units in a sweeping move to rationalise operations.

The company, which is controlled by Karstadt, Germany's largest department store group plans to shut down 29 stores out of a total of 109. Neckermann's losses last year totalled DM 26m ($15m).

The move is being made at a time of troubled trading for the German retail industry which continues to meet with weak sales. *The latest retail statistics* — announced yesterday — underline the point.

In real terms, German retail sales for May were 4 per cent down on their level for April, while over the first five months of 1980 the trend has been virtually level.

Yesterday Neckermann declined to comment on the possibility of savings which the company might make by the closures, and could not provide turnover figures for the stores involved. The shut-downs were not restricted to any particular area of the country, it stated.

Last year was also a difficult trading period for Karstadt which owns 51.2 per cent of Neckermann. Its after tax profits dipped from DM 24m to DM 17.2m following a rise of just 4.2 per cent in sales.

Holzmann considers more activity in U.S.

PHILIPP HOLZMANN, the West German construction group, is considering the possibility of "new U.S. participation" in the field of engineering for plant construction.

Herr Hermann Becker, the managing board chairman, told the annual meeting that Holzmann would like to increase its activities in the U.S.

Herr Becker noted many signs pointing to a construction slowdown in West Germany. The sharp rise in interest rates and land costs was making private domestic building increasingly difficult. Foreign demand generally was likely to decline and competition is increasing.
Reuter

Equipment purchases put IBM back on growth path

BY STEWART FLEMING IN NEW YORK

INTERNATIONAL BUSINESS MACHINES (IBM), the world's leading data processing equipment manufacturer, appears to have firmly re-established its earnings growth pattern after last year's setback.

The company yesterday reported second quarter net income of $764m, a 14.5 per cent increase over the same period of 1979. For the first half of the current financial year, earnings are up just under 9 per cent to $1.44bn compared with $1.33bn.

Second quarter sales revenues rose 16.9 per cent to $6.2bn, and for the half year sales were *11.2 per cent higher* at $11.9bn.

Last year, heavy development expenditure, aggressive price cutting, and rising costs all combined to produce a modest decline in IBM's annual earnings, the first in a generation for Wall Street's pre-eminent growth stock.

But there is evidence from the company's own comments that it is expecting an improved performance in 1980, and share analysts are expecting the present momentum to become even more marked in 1981.

Mr. Frank Cary, chairman, commenting on the second quarter earnings, said that purchases of data processing equipment have been substantially higher than the corresponding period of last year. In recent months, and for the six months as a whole, purchases increased at about the same rate as total gross income.

He pointed out however that the level of purchases during 1979 remained relatively stable for the first three quarters and then increased significantly in the fourth quarter, adding that "period to period comparisons of results will be affected by the pattern of 1980 purchase activity."

Mr. Cary's remarks seem to confirm the expectations of some analysts that while quarter to quarter comparisons will be particularly favourable in the first three quarters of this year, IBM's earnings in the fourth quarter may not show such strong growth in comparison with the final quarter of 1979.

Calgary Power fights Atco bid

BY OUR FINANCIAL STAFF

CALGARY POWER has applied to the Public Utilities Board of Alberta to hold a review of Atco's bid for a controlling interest in Calgary Power. The application will be heard by the Board on July 16.

Calgary Power alleges that the Atco bid contravenes the Public Utilities Act because it would unlawfully unite Calgary Power and Canadian Utilities, 58 per cent owned by Atco, without the consent of the Board.

Calgary Power wants the Board to issue interim or final orders forbidding Atco from taking up, paying for or soliciting its shares.

Atco has an outstanding offer to purchase 24.45m shares of Calgary power at C$ 21 each.

Atco meanwhile has expressed confidence that it will succeed in its bid for 50.1 per cent of Calgary Power.

Atco said its lawyers have advised that the company has complied with all disclosure requirements and that the Board does not have jurisdiction in the matter.

● The Quebec Securities Commission is proposing a new provincial Securities Act to bring existing legislation in line with the new Ontario Securities Act and with changing legislation in other provinces.

The new Quebec Act would hold issuers of securities liable to civil suits, simplify prospectus procedure for those issuing securities regularly, and shorten reporting times for financial statements and insider trading.

Downturn at MGM Film

BY OUR FINANCIAL STAFF

METRO - GOLDWYN - MAYER Film, one of the two publicly-held companies which was spun off last May from the operations of Metro-Goldwyn-Mayer Inc. (the other being MGM Grand Hotels), has reported lower earnings and revenues for the third quarter ended May 31.

Net profit for this quarter was down to $1.8m from $2.2m previously, on a reduced turnover of $39.2m ($46m). For the nine month period, net profit was more than halved to $10.2m from $24.3m.

The company's stock was created from May 30 on the basis of one share for each share of MGM Inc's common. However, the financial results have been reported as though the company had been operating as a separate corporate entity during all relevant periods.

Results for the nine months include $30.7m of operating revenue and $15.6m of net income from the licensing of network television rights to "Gone With the Wind," the company said.

Fireman's Fund insurance deal

AMERICAN EXPRESS has announced that its Fireman's Fund insurance subsidiary has signed a definitive agreement to buy Southern Guaranty Insurance, of Montgomery, Alabama, for $19m or $31.66 per share cash.
Reuter

COMMODITIES/REVIEW OF THE WEEK

August date set for copper strike talks

BY OUR COMMODITIES STAFF

THE U.S. copper workers union coalition is to resume contract talks with one of the main producers, Asarco, on August 20, Reuter reported from New York yesterday.

Immediate reaction on the copper market was for prices to steady, since it was assumed that this meant the strike by copper workers, which started on July 1, would now last at least until the meeting with Asarco, rather than being settled earlier. However, the market eased in later trading and cash wirebars closed £3 down on the day at £912 a tonne, still £8 up on the week.

Although some dealers have predicted the U.S. copper strike would only last a short time, in view of the high rate of unemployment, others have felt the strike would last for some months. They see the August 20 meeting as confirmation that the workers are only prepared to stay out of work for a limited period.

Meanwhile Asarco yesterday raised its domestic selling price for copper to $1.01 a lb. other producers have moved up to $1 a lb. The London market was boosted by reports that copper workers at the Cerro de Pasco mine in Peru had gone on strike too, but prices are under constant downward pressure from the strong trend in sterling and lack of consumer demand.

Forecasts of a big rise, 8,000 tonnes, in lead stocks held in LME warehouses brought a decline in the cash lead price yesterday of £6.25 to £336.75 a tonne, making a loss of £9.75 on the week. However the fall in lead prices was moderated by predictions that the stocks would soon decline again due to shipment to Russia.

News that most Latin American coffee producers had banned exports in response to the recent fall in world prices failed to prevent a further sharp decline this week. The September position on the London futures market slipped to a 16-month low at one stage before rallying to end the week £32 down on balance at £1,444.5 a tonne.

This followed a £43.5 rise yesterday which dealers attributed to producer and speculative buying coupled with renewed manufacturer buying interest. It was also suggested that producer plans to meet this weekend to discuss a minimum price scheme might have encouraged the rise.

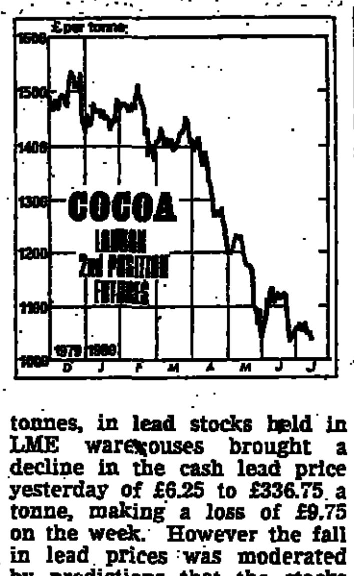
The decline in coffee prices has also triggered a special meeting of the International Coffee Council which consumers as well as producers will attend. The price fell below the trigger level last Thursday so the meeting, which has to be held within 14 days, will be no later than July 24.

Sugar prices also fell sharply this week as investors reacted against the recent strong upsurge. After a £29.125 fall yesterday the October position on the London futures market ended the week £45.25 down at £282.25 a tonne.

There was no fresh news to explain this decline, which dealers saw as a result of the preceding upsurge which they thought had taken prices too high too fast.

Cocoa prices lost further ground as the technical tightness affecting nearby deliveries showed signs of easing. This tightness was thought to have limited the fall which had been encouraged by forecasts of another substantial world production surplus this year, for the third year in succession.

The September cocoa futures price fell £12 yesterday to £1,036.5, equalling the four-year low reached last month. The decline on the week was £17 a tonne.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market 99.5%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Copper Cash W'bars	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months Do. Do.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash Cathode	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months Do.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gold per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lead Cash	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nickel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market c.i.f. lb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Platinum per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quicksilver (76lbs.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Silver per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tin cash	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tungsten ind	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wolfram (22.04 lb)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Zinc cash	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Producers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GRAINS					
Barley					
Home Futures	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Maize					
French No. 3 Yellow (Amer)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WHEAT					
No. 1 Red Spring	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Am. Hard Winter	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eng. Milling (new crop)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SPICES					
Cloves	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pepper, white	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
black	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OILS					
Coconut (Philippines)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Groundnut	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Linseed, Crude	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Palm Malayan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SEEDS					
Copra (Philippines)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Soyabeans (U.S.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OTHER COMMODITIES					
Cocoa Shipment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Future Sept.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Coffee Futures Sept.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cotton Index	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Des. Coconut	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jute LJ BWC grade	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rubber kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sago Pearl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sisal No. 3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sugar (Raw)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tapioca No. 1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tea quality kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(plain) kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wooltops 64s Warp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Unquoted. (g) Madagascar. (x) Aug./Sept. (t) Aug. (w) July/Aug. (y) Sept.

MARKET REPORTS

BASE METALS

COPPER—Little changed on balance o nthe London Metal Exchange. A shake-out in overnight American markets saw forward metal open lower at £928. This level attracted good support and three months held above £930 for the rest of the morning. In the afternoon a strong opening on Comex pushed forward metal ahead to £938, prior to a close on the late kerb of £935. Turnover 16,325 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	907-8	—6	911-3	—3
3 months	929.5-30	—6.25	933.5-4	—3.5
Settlem't	908	—5.5	—	......
Cathodes				
Cash			884-5	—2.5
3 months	881-2	—7.25	908-9	—4.8
Settlem't	904-5	—8.5	—	......
U.S. Prod	882	—7	*97-101	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £907.5, three months £930, 29, 28, 29, 30, 29, 29.5, 30. Cathodes, three months £905. Kerb: Wirebars, three months £929.5, 29, 29.5. Afternoon: Wirebars, three months £934, 33, 33.5. Cathodes, cash £84.5. Kerb: Wirebars, three months £935, 36, 36.5, 37, 38, 37, 36, 35.5, 35.

TIN—Firmer. Forward metal opened on a steady note around the £7,170 level but eased to £7,150 on stale bull liquidation and hedge selling. In the afternoon the market moved up to £7,190 on American buying before closing the late kerb at £7,185. Turnover 1,225 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7160-70	—35	7175-85	+57.5
3 months	7170-80	—30	7180-90	+47.5
Settlem't	7170	—40	—	......
Standard				
Cash	7160-70	—20	7175-85	+57.5
3 months	7170-80	—17.5	7180-90	+47.5
Settlem't	7170	—20	—	......
Straits E.	$2138	+2	—	......
NewYork	—	......		......

Morning: Standard, cash £7,180, 70, three months £7,170, 60, 70, 80, 60, 65, 70. Kerb: Standard, three months £7,170. High grade untraded. Afternoon: Standard, cash £7,190, three months £7,170, 80, 90, 88, 80. Kerb: Standard, three months £7,190, 85.

LEAD—Easier. After opening at £345 three months dipped to £340 following forecasts of a substantial rise in stocks. Stop-loss selling was also noted at the £340 level but this was well absorbed. In the afternoon the price moved up steadily to close the late kerb at £348.5, reflecting the firmness of copper. Turnover 7,600 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
S'ment	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Spot	[illegible]	[illegible]	[illegible]	[illegible]

Morning: [illegible]

ZINC—[illegible]

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
S'ment	[illegible]	[illegible]	[illegible]	[illegible]
Primw'ts	[illegible]	[illegible]	[illegible]	[illegible]

Morning: [illegible]

ALUMINIUM—[illegible]

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	752-4	+16	747-50	—1.5
3 months	729-30	+8	729-30	—5

Morning: Cash £752, 54, three months £729, 30, 29.5, 30, 28, 29, 30. Kerb: Three months £729, 30. Afternoon: Three months £730, 31, 32, 31, 30, 29, 29.5. Kerb: Three months £733, 32.5, 33.

NICKEL—Steady in quiet and routine trading with forward metal finally quoted at £2,807.5 on the late kerb. Turnover 390 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2775-80	......	2765-75	—5
3 months	2805-10	+2.5	2801-5	—4.5

Morning: Cash £2,770, 2,775, 80, 75, three months £2,800, 05, 10. Afternoon: Three months £2,810, 2,800, 05. Kerb: Three months £2,805, 10.

SILVER

LME—Turnover 179 (117) lots of 10,000 ozs. Morning: three months 710, 11, 12, 13, 12. Kerb: three months 711, 10. Afternoon: three months 715, 16. Kerb: three months 718, 14, 14.5.

Silver was fixed 11.9p an ounce lower for spot delivery in the London bullion market yesterday at £6.8225. U.S. *equivalents of the fixing levels were:* spot $16.2, down 29c; three-month $16.591, down 32.4c; six-month $17.046, down 32.5c; and 12-month $17.905, down 31.8c. The *metal opened* at £6.75-£6.87 ($16.05-$16.30) and closed at £6.85-£6.97 ($16.30-$16.55).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	682.25p	-11.9	691p	+13.5
3 months	708.85p	-15.65	718p	+12
6 months	734.80p	-15.7	—	......
12months	779.0p	-15.8	—	......

COCOA

Weakening during the afternoon session futures touched new life of contract lows before rallying on the closing call to end the day £10 below Thursday evening, report Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
July	1022-1025	—12.5	1032-1017
Sep	1036-1037	—12.0	1047-1030
Dec	1080-1083	—8.0	1088-1075
March	1123-1125	—8.0	1128-1118
May	1145-1147	—9.0	1151-1142
July	1165-1168	—8.5	1163-1162
Sept	1188-1190	—8.5	—

Sales: 1,215 (788) lots of 10 tonnes.

COFFEE

ICO Indicator prices for July 10. (U.S. cents per pound): Other Mild Arabicas 158.00 (155.83). Robustas ICA 1976 152.00 (150.00). ICA 1968 152.25 (150.25). Unwashed Arabicas 207.50 (206.50). Comp. daily ICA 1968 176.75 (174.66).

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]
January	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]

Sales: 5,584 (5,068) lots of 10 tonnes.

The robusta market opened £30-£40 higher [illegible] Drexel Burnham Lambert. [illegible]

GRAINS

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 90.30, N. East 92.00, Scotland 92.00.

WHEAT Mnth	Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Sept.	95.90	—0.25	91.45	—0.25
Nov.	99.60	—0.25	95.55	—0.20
Jan.	103.40	—0.20	99.40	—0.20
Mar.	106.90	—0.10	102.80	—0.15
May.	110.20	—0.20	106.05	—0.15

Business done—Wheat: Sept. 96.20-95.90, Nov. 99.90-99.55, Jan. 103.00-103.40, March 107.00-106.90, May 110.40-110.20. Sales: 117 lots of 100 tonnes.

LONDON GRAIN FUTURES—Grains opened 5p higher on wheat and 10p lower on barley. Wheat values eased in their trading due to some selling pressure on nearby options, to close about steady 10p-25p down. Barley saw some good buying interest in the nearby options which halted any further dips to close 15p-25p lower on the day, reports Acli.

IMPORTED—Wheat: U.S. Dark Northern Spring No 2 14 per cent. Aug. 97.75, Sept. 99.50, Oct. 100.50 transhipment east coast. U.S. Hard Winter 13½ per cent July 91.00 transhipment east coast. English Feed fob July 124.50 east coast. Maize: French July 123.00 transhipment east coast. S. African Yellow July/Aug. 80.00. Rest unquoted.

Barley: Sept. 91.55-91.45, Nov. 95.55-95.45, Jan. 99.50-99.40, March 102.85-102.80, May 106.10-106.05. Sales: 183 lots of 100 tonnes.

RUBBER

The London physical market opened easier, with fair interest at lower levels, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 287 (290) cents a kg (buyer, August).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Aug.	57.00-57.70	59.10-59.20	57.50
Sept.	58.70-58.90	60.10-60.30	58.90
Oct-Dec	61.00-61.10	62.50-62.60	62.10-60.80
Jan-Mar	64.20-64.30	65.70-65.80	65.70-64.00
Apr-Jne	67.00-67.20	68.50-68.60	68.50-66.80
Jly-Sept	69.50-69.60	71.10-71.20	70.40-69.40
Oct-Dec	72.00-72.10	73.60-73.70	72.30-71.90
Jan-Mar	74.60-74.70	76.00-76.20	74.80-74.40
Apl-June	77.30-77.50	78.60-79.00	78.30-77.30

Sales: 488 (363) lots of 15 tonnes, 2 (24) at 5 tonnes.

Physical closing prices (buyer) were: Spot 57.00p (57.50p); Aug. 61.25p (62.00p). Sept. 61.25p (62.50p).

SOYABEAN MEAL

The London market opened around unchanged and remained steady on trade buying, reports T. G. Roddick. Continuing hot and dry weather in growing areas brought fresh buying ahead of weekend and prices finished firm with gains of £1.50.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
August	111.10-11.5	+1.50	111.80-10.80
October	[illegible]	[illegible]	[illegible]
December	[illegible]	[illegible]	[illegible]
February	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]

Sales: 184 (148) lots of 5 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £235.00 (£263.00) a tonne cif for July-Aug. shipment. White sugar daily price was £295.00 (£295.00).

The nearby positions at first lost some £3.00 against overnight levels but the lows were shortlived and prices recovered somewhat. On re-opening March touched the new limit at £290.75 but later following higher New York quotations it rallied reaching £308 on the close before falling back some £5.00, reports C. Czarnikow.

No. 4 Con-tract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Aug.	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]
Jan.	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]

Sales: 10,296 (6,093) lots of 50 tonnes.

AMERICAN MARKETS

NEW YORK, July 11.

MAIZE AND soyabeans again finished with an impressive rally, in response to a forecast for hot and dry weather wheat finished mixed. The Pork complex was strong on short-covering while cattle markets finished lower on profit-taking and local selling. Sugar staged a good rally from heavy early losses. Coffee rallied mostly limit up and cocoa was mixed on very thin trading. Cotton rallied sharply on an extended unfavourable weather forecast. Copper rallied on steady trade buying. Precious metals rallied for moderate to major gains on steady trade and commercial house buying, reported Heinold.

Copper—July 97.05 (95.80), Aug. 97.75 (96.40), Sept. 98.40-98.55, Dec. 99.20-99.40, Jan. 99.65, March 100.50, May 101.40, July 102.30, Sept. 103.30, Dec. 104.80, Jan. 105.30, March 106.30, May 107.30. Sales: 5,400.

Potatoes (round whites)—Nov. 77.5 (77.5). March 98.5-99.0 (98.8), April 118.5-119.2. Sales: 1,195.

Sugar—No. 11 Sept. 28.20-28.40 (28.85), Oct. 27.30-27.40 (27.97), Jan. 28.00-28.50, March 29.40-29.70, May 29.80-29.70, July 29.45-29.50, Sept. 28.85-29.00, Oct. 28.60-28.70.

Tin—770.00-784.00 asked (769.00-785.00).

CHICAGO, July 11.

Lard—Chicago loose 19.00 (18.75). New York prime steam unavailable.

Live Cattle—Aug. 70.35-70.55 (71.30), Oct. 67.90-67.75 (68.81). Dec. 67.90-67.70, Jan. 68.46, Feb. 68.50-68.25, April 69.25-69.05, June 70.80.

Live Hogs—July 44.70-44.45 (43.85), Aug. 42.90-42.65 (42.15). Oct. 41.70-41.80, Dec. 44.65-45.00, Feb. 47.00-47.20, April 46.45, June 48.10, July 47.20, Aug. 48.40.

‡‡Maize—July 304-307½ (299), Sept. 312-312¼ (307¼), Dec. 320¾-321¼, March 332-332½, May 338-339, July 341.

Pork Bellies—July 43.02 (41.02), Aug. 42.60 (40.60), Feb. 58.85, March 58.97, May 59.60, July 59.45-59.70, Aug. 58.95.

Silver—July 1626.0 (1604.0), Aug. 1635.0-16030.0 (1614.0), Sept. —, Oct. 16004.0, Dec. 1690.0, Feb. 1725.0, April 1760.0, June —, Aug. 1824.0, Oct. —, Dec. —, Feb. 1920.0, April —, June —, Aug. —, Oct. —.

†Soyabeans—July 746½ (722), Aug. 752-750 (725½), Sept. 759-758, Nov. 773-775½, Jan. 785½-786, March 800-801, May 811, July 818-816.

‖Soyabean Meal—July 201.8-202.0 (195.5), Aug. 203.5-202.6 (197.2), Sept. 206.0-205.5, Oct. 208.5-208.2, Dec. 213.5-213.0, Jan. 215.5-216.0, March 20.5, May 23.0-222.6, July 226.0, Aug. —.

Soyabean Oil—July 26.22-26.20 (25.37), Aug. 26.35-26.30 (25.44), Sept. 26.60-26.65, Oct. 26.90-26.85, Dec. 27.15-27.20, Jan. 27.25, March 27.35-27.40, May 27.50, July 27.75-27.70, Aug. 27.70-27.80.

†Wheat—July 423-422½ (424½), Sept. 434-432 (433¼), Dec. 452-452, March 465½-466, May 471¼-471½, July 472-473.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

Chicago Imm Gold—July 663.0 (664.0). Sept. 676.0-673.5 (677.7), Oct. 681.8, Dec. 695.0-694.0, Jan. 702.0, March 715.5-714.5, April 722.0, June 735.5.

INDICES

FINANCIAL TIMES

July 10	July 9	Mnth ago	Year ago
270.10	268.23	264.75	294.72

(Base: July 1, 1952=100)

MOODY'S

July 10	July 9	M'nth ago	Year ago
1166.8	1166.3	1136.0	1082.7

(December 31, 1931=100)

DOW JONES

Dow Jones	July 10	July 9	Month ago	Year ago
Spot	409.96	415.32	429.66	408.61
F'tur s	450.22	453.36	442.77	421.25

(Average 1924-25-26=100)

REUTERS

July 11	July 10	M'nth ago	Year ago
1657.8	1676.1	1677.2	1672.3

(Base: September 18, 1931=100)

NUMBER 2 CONTRACT—Close (in order buyer, seller, business, sales). Aug. 268.00, 270.00, 296.00-240.00, 1,235; Oct. 290.55, 290.75, 321.68, 281.00, 4,289. Sales: 5,524 (4,082).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.60 (same) a tonne for home trade and £355.50 (£370.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for July 10. Daily price 26.41 (26.21); 15-day average 30.26 (30.89).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business, sales). [illegible]

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). [illegible]

COTTON

LIVERPOOL—Spot and shipment sales amounted to 115 tonnes bringing the total for the week to 319 tonnes against 150 tonnes in the previous week. Offtake improved slightly after the very subdued trading in the earlier sessions. Demand centred on African and South American growths.

POTATOES

LONDON POTATO FUTURES—The market saw strong sellers today from non-trade sources, and with lack of sentiment from the trade, prices dropped rapidly to close at new contract lows, reported Coley and Harper. Closing prices: Nov. 44.30 —130 (high 45.50, low 44.40); Feb. 51.10 —150 (high 52.50, low 51.10); April 58.30 —130 (high 59.50, low 58.30). Turnover: 45 (57) lots of 40 tonnes.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on July 11. GB—Cattle 76.26p per kg lw (-1.82). UK—Sheep 135.7p per kg est dcw (-11.45). GB—Pigs 69.78p per kg lw (+2.32).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. [illegible]

GRIMSBY FISH—Supply fair, demand fair. [illegible]

Stock Exchange dealings

Thursday, July 10	25,425
Wednesday, July 9	26,926
Tuesday, July 8	30,557
Monday, July 7	27,696
Friday, July 4	26,151
Thursday, July 3	22,555

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days. These are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (555)

CORPORATIONS (16)

BREWERIES (119)

PUBLIC BOARDS (12)

FREE OF STAMP DUTY

COMMONWEALTH GOVTS. (1)

REGISTERED AND INSCRIBED STOCKS

COMMONWEALTH CORPS. (1)

FOREIGN STOCKS

BANKS (135)

13pc Treasury Stk. 2000 (£30pc Pd.)
13½pc Treasury Stk. 2004-08 103¼ (7/7)
13¾pc Treasury Stk 2000-03 102¼⊕

Deutsche Bank Aktiengesellschaft Bearer Shs. (DM50) 66¾ (7/7)
Gerrard and National Discount (25p) 260 (9/7)
Gillett Bros. Discount 185

COMMERCIAL (2,180)

A—B

Brotherhood (Peter) (50p) 86 7 (8/7)
Brown Jackson (20p) 138 (8/7). New (20p) 142⊕
Brown Tawse (25p) 132 (7/7)
Brown Boveri Kent (Hldgs.) (25p) 37¾
Brown Boveri Kent 8pcLn. 60 (4/7)
Brown Bros. Corpn. 8½pcLn. 60 (4/7)
Brown (John) (25p) 53⊕ 2
Brown (N.) Invests. (20p) 35
Browning-Ferris Industries (0.16¾) p805 (9/7)
Brunning Gp. Restd. Vtg. (25p) 36 (8/7)
Bryant Hldgs. (25p) 61⊕ 2 1
Bulgin (A. F.) (5p) 43 (7/7). A (5p) 35½⊕ 6⊕ 7
Bullough (20p) 156 (9/7)
Bunzl Pulp Paper (25p) 105⊕ ½⊕
Burco Dean (25p) 22⊕
Burndene Invests. (5p) 8½ (8/7)
Burnett Hallamshire Hldgs. (25p) 741¼ 20

C—D

E—F

Ford Intnl. Cap. 64½ (4/7). 7¼pcLn. 69½ (4/7)
Forward Technology Indust. (25p) 97⊕
Foseco Minsep (25p) 157 9 (9/7)
Foster Bros. Clothing (25p) 95⊕
Foster (J.) (25p) 22½. 9pcLn. 62 (8/7)
Francis Inds. (25p) 65
Francis Parker (10p) 77½ (8/7)
Freemans (London S.W.9.) (25p) 128 32
French Kier Hldgs. (25p) 39⊕ 8½⊕ ¼⊕ 9 ½
French (T.) (10p) 110⊕
Friedland Doggart Group (25p) 98 (9/7)

G—H

GEI Intnl. (20p) 77⊕ 6
Garnar Scotblair (25p) 72 3/16
Gates (F. G.) (25p) 36 4 (8/7)
Geers Gross (10p) 62⊕
General Electric (US$2.50) £23¼ (4/7)
General Elec. (25p) 445⊕ 3⊕ 40⊕ 1⊕ 6 4 8 2 3 50 49. 6pcLn. 1976-81 91 (8/7). Do. 1979-84 78¾ (7/7). 7¼pc Ln 65½ (4/7). Floating Rate 100⊕ 99½⊕ 100¼ 100 ¼
Gestetner (25p) 72½ 4 (9/7). Do. A 74. Do. A Capt. 74 11/16 (4/7). 10pcLn. 78

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

Youghal Carpets (25p) 8 (8/7)
Zenith Carburettor A (50p) 72 (9/7)
Zetters (5p) 47½ (8/7)

ELECTRIC LIGHT (1)

Calcutta 7½pcPf. (Rp10) 17

FINANCIAL TRUSTS (57)

Akroyd Smithers (25p) 313⊕ 33 28
Anglo-African Finance (7½p) 20⊕
Armour (10p) 11 (8/7). 10½pcLn. 66⊕

GAS (7)

INSURANCE (127)

INVESTMENT TRUSTS

New Throgmorton Trust Inc. Shs. (25p) 20½ (8/7). Cap. Ln. 203 200. Wrnts. to sub. 37½⊕
Nineteen Twenty-Eight (25p) 79½ (9/7)
North Atlantic Secs. (25p) 102½ (8/7)
Northern American Trust (25p) 105
Northern Secs. Trust (25p) 166⊕
Oil and Associated (25p) 81
Outwich Invest. Trust (25p) 70 (7/7)
Pentland Inv. Trust (25p) 132½
Raeburn (25p) 134 7 6 8½ (8/7)
Rights Issues (25p) 39½ (7/7). Capital (25p) 43
River Mercantile (25p) 238 (8/7)

Waterborne anti-nuclear protest foiled by police

AN ANTI-NUCLEAR group's bid yesterday to make a waterborne protest at Sharpness Docks, Glos., where a ship, the Gem, was loading atomic waste, was foiled by police. The ship was due to sail last night for an Atlantic dumping ground, 2½ miles deep, 500 miles off Land's End.

Its 2,500-tonne cargo consists of about one-tenth radioactive material and the rest protective steel and concrete. The waste, from power-stations, research laboratories and hospitals, has been arriving at Sharpness all week by train.

Six members of a group which on Tuesday blockaded a radioactive waste-carrying train near the docks were interecepted by some of the 500 police guarding the docks as, intending to circle the Gem, the protestors tried to launch a raft on the Gloucester-Sharpness Canal about a mile away. Police ordered them to leave.

Seven demonstrators charged with obstructing the train and whom Dursley magistrates had remanded in custody were yesterday granted bail by Mr Justice Forbes, a Bristol judge, in chambers. They will be released from Gloucester prison today.

A threatened demonstration outside the court did not occur but protestors among a peaceful banner-waving picket outside the docks were warned by police to stop flagging down dockers driving to work.

Plessey wins £10.5m deal from Post Office

THE POST OFFICE has placed orders worth £10.5m with Plessey for private subscribers' apparatus—the largest contract for this type of equipment for some time.

The orders have been placed with Plessey Communications and Data Systems, of Beeston, Nottingham, and production will continue until early 1981.

Included are 663,000 telephones covering the basic dial telephone found in most homes and offices and the wall-mounted version, the weatherproof telephone used on motorways and the special-range Mickey Mouse model.

Other equipment includes 34,800 of the Keymaster 2+10 and 1+5 systems which are popular in small businesses. These have, respectively, two exchange and 10 internal lines and one exchange and five internal lines. In addition, the orders cover 28,200 10-line key and lamp units used for internal call-switching.

W. S. Yeates exceeds £1m

AN INCREASE of £399,000 to £1.08m in pre-tax profits is reported by W. S. Yeates, motor vehicle distributor, for the six months to April 30, 1980. Turnover advanced from £11.09m to £12.39m, resulting in trading profits of £759,000 compared with £679,000. In the last full year, pre-tax profits were £1.44m.

The interim dividend is effectively raised from 3.5p to 4.2p, and dividends absorb £35,250 (£24,505) after waivers amounting to £62,764 (£57,178). The shares of Yeates are traded on a market made by M. J. H. Nightingale and Company.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C	F.280	3	17.50	—	—	—	—	F.295.50
ABN C	F.300	12	0.80	5	6.20	—	—	"
AKZ C	F.22.50	12	0.50	—	—	82	2.60	F.22.80
AKZ P	F.25	2	2.10	—	—	—	—	"
ARB C	F.70	—	—	1	1	—	—	F.65.40
EK C	$60	—	—	2	1⅞	—	—	$56⅝
HEI C	F.60	5	0.60	3	2.80	—	—	F.59.40
IBM C	$60	1	1⅞	—	—	—	—	$61⅝
KLM C	F.60	38	5.50	40	8	—	—	F.65.60
KLM C	F.70	108	0.50	57	2.70	—	—	"
KLM C	F.80	—	—	3	1.10	—	—	"
KLM P	F.60	6	0.20	56	3	1	6.20	"
KLM P	F.70	12	4.30	59	8.50	—	—	"
KLM P	F.80	—	—	15	17	—	—	"
NN C	F.110	—	—	10	4.50	—	—	F.110.40
NN C	F.120	—	—	3	1	13	2	"
PET C	Fr.5500	—	—	—	—	5	2.80	Fr.4930
PHI C	F.17.50	—	—	8	1.30	—	—	F.17.80
PHI C	F.20	—	—	—	—	25	0.50	"
PHI P	F.20	10	2.20	—	—	—	—	"
RD C	F.150	4	17	95	17.30	—	—	F.166.20
RD C	F.160	78	6	10	9.30	6	10.70	"
RD C	F.170	77	0.20	20	3.70	2	5.20	"
RD P	F.140	—	—	1	0.50	—	—	"
RD P	F.150	—	—	17	1.30	20	2.90	"
RD P	F.160	15	0.20	10	4.30	26	6.10	"
RD P	F.170	36	4.80	—	—	—	—	"
UNI C	F.110	20	12.50	6	13	—	—	F.121.20
UNI C	F.115	40	7.60	—	—	—	—	"
UNI C	F.120	4	2.40	38	5.50	3	6.50	"
UNI P	F.115	—	—	3	1.40	—	—	"
UNI P	F.120	50	0.40	16	2.50	—	—	"
		Aug.		Nov.		Feb.		
MMW C	DM.130	—	—	5	2.80	—	—	DM125.00
SIE C	DM.280.50	—	—	2	6.50	2	10	DM280.10
VW C	DM.170	—	—	3	8	—	—	DM174.20
VW C	DM.180	—	—	6	3.50	—	—	"

TOTAL VOLUME IN CONTRACTS 1192

C=Call P=Put

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
LASMO	25p	13	765	−5	830	337
Premier Cons.	5p	11	96	−1	109	39
Ultramar	25p	9	344	−12	384	206
Lonrho	25p	8	117	+5	117	75
Tricentrol	25p	8	358	−6	414	250
Beecham	25p	7	151	+4	160	108
Hampton Trust	5p	7	59	+21½	61	15
Imperial Group	25p	7	81	−1	89½	[illegible]
RTZ	25p	7	460	−2	485	[illegible]
BAT Inds.	25p	6	278	−5	290	223
Carless Capel	10p	6	119	−4	152	68
GEC	25p	6	444	—	452	328
ICI	£1	6	384	—	402	348
Muirhead	25p	6	116	+18	270	90
Plessey	50p	6	209	+2	209	108

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
LASMO	25p	66	765	−25	830	337
Premier Cons.	5p	52	96	−9	109	39
GEC	25p	50	444	+16	452	328
Lonrho	25p	47	117	+13	117	75
European Ferries	25p	45	186	+4	189	96
ICI	£1	44	384	−4	402	345
Charter Cons.	2p	42	234	+27	234	134
BP	25p	41	348	−26	412	320
Imperial Group	25p	41	81	−6	89½	74
Unilever	25p	41	503	+8	509	388
BAT Inds.	25p	40	278	—	290	223
Racal Electronics	25p	40	274	+12	275	175
GKN	£1	38	248	+7	279	228
Shell Transport	25p	38	410	+4	412	314
Beecham	25p	37	151	+4	180	108

RUBBER (10)

West African (2)

Diamond (10)

OIL (259)

UNIT TRUSTS (4)

MINES

Australian (14)

Miscellaneous (71)

Rhodesian (15)

South African (58)

PROPERTY (86)

SHIPPING (28)

TEA (3)

CANALS (3)

WATERWORKS (16)

UK RAILWAYS (2)

FOREIGN RAILWAYS

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

JULY 10

JULY 9

JULY 8

JULY 7

JULY 4

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

JULY 10

JULY 9

JULY 8

JULY 7

JULY 4

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration

JULY 10

Aran Energy 444. 5. 8. 9. 70. 2. 4. 5. 6. 8. 80. 1. 2. 4

JULY 9

Aran Energy 446. 8. 54. 5. 8. 60. 1. 4. 6. 70

Berkeley Exp. Production (50p paid) 233. 5. 6½. 7. 8

Candecca Resources 194. 5. 6. 7. 8. 9. 200. 1. 2. 3. New (nil paid) 90. 1. 2. 3. 4. 5. 6. 7

C.C.P. North Sea Assoc. 248. 9. 52

Cluff Oil 330. 5. 40

Gas and Oil Acreage 425. 8

Pict Petroleum 435. 40. 5. 50

Sovereign Oil and Gas 267. 8. 70. 2. 7

Sun Oil (UK) 650 5 60 5

JULY 8

JULY 7

Candecca Resources 207. 9. 10. 11. 13. 14. 17. 18. 19. 21. 2. 3. 4. 5. 6. 7. 8. 30. 4. 5. 7. 8. 9. 50. 1. 2. New (nil paid) 102. 4. 7. 8. 9. 10. 11. 15. 16. 17. 18. 19. 20. 1. 2. 3. 4. 6

C.C.P. North Sea Assoc. 260. 3. 5. 8

Cluff Oil 335. 40. 2. 5. 7

Gas and Oil Acreage 485. 90. 5

Pict Petroleum 465. 6. 80. 2. 5. 7. 90. 2. 5

Sovereign Oil and Gas 280. 3. 5. 7. 90. 2. 3. 5. 6. 7. 8

Sun Oil Company (UK) Oil Royalty stk. units 1p (R.C fully paid) 695. 700. 7. 710

JULY 4

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	13½	½-year	1,000	1
Redbridge (01-478 3020)	13	½-year	200	3/4
Redbridge (01-478 3020)	13¼	½-year	200	5/6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 11.75 3 mths.
Anglia	10.25	10.50	11.75	13.00 6 yrs., 12.50 5 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of Londn (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yr., 11.5 3 yr., 11.25 3 mth. not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs., 12 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.10 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mths. not., 11.75 3 mths. not. min. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 mths. notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., withdrawals aft. 18 mths.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
New Cross	11.00	11.25	—	11.25-12.50 on share accs. depending on min. balance over 6 mths.
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.00	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Property Owners	10.25	11.00	12.25	12.50 av. 4 yr., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.59	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.75	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mth. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 16 per cent (since July 3, 1980)

The Treasury bill rate fell by 0.2480 per cent at yesterday's tender to 14.4924 per cent, and the minimum accepted bid rose to £96.37½ from £96.325. Bids at that level were met as to about 8 per cent and above in full. The £300m bills on offer attracted bids of £1,374.505m, and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day-to-day credit remained in short supply in the money market, and the authorities gave assistance on a large scale. This comprised small purchases of Treasury bills and moderate loans to six or seven houses at MLR, for repayment on Monday. The market was faced with the repayment of Wednesday's and Thursday's market advances, which was termed as very large, and the unwinding of a previous sale and repurchase agreement on a large number of eligible bank bills. Banks brought forward balances a small way below target and funds were drained by the call on Exchequer 13¾ per cent, 1992. In addition, the note circulation rose by a small amount, and there was a small net take up of Treasury bills.

EXCHANGES AND BULLION

Trading was extremely quiet in currency markets yesterday ahead of the weekend, with little in the way of fresh news to stimulate any movement. Sterling was slightly firmer overall, and this was reflected in its trade weighted index as measured against a basket of currencies. It rose to 74.5 from 74.4, having stood at 74.5 at noon and in the morning. Against the dollar it opened at $2.3735-2.3745 and quoted at $2.3750 around noon. As the dollar weakened during the afternoon, sterling rose to a best level of $2.3800, and closed at $2.3775-2.3785, a rise of 25 points from Thursday.

The dollar finished close to its worst level of the day, but showed little overall change from Thursday's closing levels in London. Against the D-mark it finished at DM 1.7375 compared with DM 1.7380, and SwFr 1.5930 against SwFr 1.5979 in terms of the Swiss franc. Against the Japanese yen it closed at Y217.55, up from Y216.90 previously. On Bank of England figures, the dollar's trade weighted index was unchanged at 82.8.

Gold rose $9 an ounce in the London bullion market to close at $668-671.

THE POUND SPOT AND FORWARD

July 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3730-2.3800	2.3775-2.3785	1.42-1.32c pm	6.91	3.72-3.62 pm	6.17
Canada	2.7225-2.7370	2.3775-2.7340	1.20-1.10c pm	5.05	3.20-3.10 pm	4.61
Nethlnd.	4.51-4.54½	4.52¾-4.53¾	2½-1½c pm	5.30	6¼-5¼ pm	5.08
Belgium	66.10-66.50	66.25-66.35	16-6c pm	1.99	47-37 pm	2.53
Denmark	12.79½-12.85½	12.80-12.81	¼-2¼ore dis	−1.40	6¼-8 dis	−2.30
Ireland	1.0985-1.1035	1.1020-1.1030	0.01p pm-0.03dis	−0.11	0.16-0.10 pm	0.47
W. Ger.	4.12½-4.16	4.13-4.14	3-2pf pm	7.25	7-6 pm	6.29
Portugal	115.40-116.00	115.75-115.95	5-30c dis	−1.81	5 pm-95 dis	−1.55
Spain	167.60-167.95	167.80-167.90	140-215c dis	−12.69	460-550 dis	−12.03
Italy	1,968-1,975	1,972½-1,973½	7¼-10¼lire dis	−5.62	31½-34½ dis	−6.69
Norway	11.39½-11.43½	11.41½-11.42½	6½-5¼ore pm	6.17	18¼-15¼ pm	5.60
France	9.58½-9.63½	9.60-9.61	4¼-3¼c pm	4.68	9-8 pm	3.54
Sweden	9.78-9.81	9.79-9.80	2¾-1¾ore pm	2.78	3½-2¼ pm	1.28
Japan	513-523	517-518	1.60-1.30y pm	3.36	3.90-3.60 pm	2.90
Austria	29.35-29.45	29.37-29.42	13-10gro pm	4.69	36-30 pm	4.49
Switz.	3.79½-3.82½	3.78½-3.79½	4-3c pm	11.08	10½-9½ pm	10.16

Belgian rate is for convertible francs. Financial franc 66.75-66.85. Six-month forward dollar 5.50-5.40c pm. 12-month 7.85-7.75c pm.

GOLD

	July 11		July 10	
Gold Bullion (fine ounce)				
Close	$668-671	(£280¾-281¾)	$659-662	(£277¼-278¾)
Opening	$663-666	(£279¼-280¾)	$662-665	(£279-280½)
Morning fixing	$663.50	(£279.368)	$665	(£280.059)
Afternoon fixing	$667	(£280.606)	$656.50	(£276.537)
Gold Coins				
Krugerrand	$689-691	(£289¾-291¾)	$679-682	(£286-288)
Mapleleaf	$685-689	(£288-290)	$675-679	(£284-287)
New Sovereigns	$169½-170½	(£71¼-72¼)	$168-169	(£70¾-71¾)
King Sovs	$190-192	(£80-82)	$188-190	(£79-82)
Victoria Sovs	$190-192	(£80-82)	$188-190	(£79-82)
French 20s	$170-173		$166½-169½	
50 pesos Mexico	$822-827		$819-824	
100 Cor. Austria	$655-660		$649-654	
$20 Eagles	$770-774		$764-767	
$10 Eagles	—	—	—	
$5 Eagles	—	—	—	

EXCHANGE CROSS RATES

July 11	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.378	4.135	517.5	9.605	3.790	4.528	1973.	2.734	66.30
U.S. Dollar	0.421	1.	1.739	217.6	4.039	1.594	1.904	829.7	1.149	27.88
Deutschemark	0.242	0.575	1.	125.2	2.323	0.917	1.095	477.1	0.661	16.03
Japanese Yen 1,000	1.932	4.595	7.990	1000.	18.56	7.324	8.749	3813.	5.282	128.1
French Franc 10	1.041	2.476	4.305	538.8	10.	3.946	4.714	2054.	2.846	69.03
Swiss Franc	0.264	0.627	1.091	136.5	2.534	1.	1.195	520.6	0.721	17.49
Dutch Guilder	0.221	0.525	0.913	114.3	2.121	0.837	1.	435.8	0.604	14.60
Italian Lira, 1,000	0.507	1.205	2.096	262.3	4.868	1.921	2.295	1000.	1.385	33.58
Canadian Dollar	0.366	0.870	1.513	189.3	3.514	1.387	1.656	721.8	1.	24.25
Belgian Franc 100	1.508	3.587	6.237	780.5	14.49	5.716	6.829	2976.	4.123	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JULY 11)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 7/16	offer 9 9/16	bid 9 5/8	offer 9 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

LONDON MONEY RATES

July 11 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	15½-18	—	—	—	15½-16⅝	15-16	—	—	—
2 days notice	—	—	16¼-16¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16⅝-16¾	16⅝-16¾	—	17	16½-16⅞	15¾-15⅞	—	—	—
One month	16⅜-16 7/16	16½-16⅝	16⅝-16⅝	17⅛-17⅛	16⅞	16⅞-17⅛	16¾	14 7/8	16 1/16	16⅞
Two months	16 1/16-16 3/16	16 1/16-16 3/16	—	17-17½	16⅝	—	15-15¼	14⅝-14 11/16	15 15/16	16⅜
Three months	15¾-15⅞	15¾-15⅞	16½-16	15¾-16⅛	16⅛	16⅛-16¼	14½-14⅝	14 11/16-14 13/16	15 1/16	15⅝
Six months	14½-14⅝	14⅜-14 7/16	14½-14⅞	14¼-14⅝	14 5/16	15¼	—	—	13 7/16-13⅝	14¼
Nine months	13⅝-13¾	13⅞-14	—	14¼-14⅝	14¼	14⅝	—	—	—	—
One Year	13 5/16-13 7/16	13⅜-13 11/16	13½-13⅝	13½-13⅞	13 3/16	14½	—	—	—	—
Two years	—	—	13½-13¾	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 13½-13¾ per cent; four years 13½-13¾ per cent; five years 13¼-13½ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14¾ per cent; four-month trade bills 15½ per cent.

Approximate selling rate for one-month Treasury bills 14 7/32 per cent; two-months 14½-14 9/32 per cent; three-months 14 5/32 per cent. Approximate selling rate for one-month bank bills 16 3/32 per cent; two-months 15 23/32 per cent; three-months 15 1/32 per cent; one-month trade bills 16⅝ per cent; two-months 16½ per cent and three-months 15¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from July 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.4924 per cent.

CURRENCY MOVEMENTS

July 11	Bank of England Index	Morgan Guaranty Changes%
Sterling	74.5	−31.8
U.S. dollar	82.8	−10.7
Canadian dollar	81.4	−16.2
Austrian schilling	157.0	+24.3
Belgian franc	116.1	+14.1
Danish kroner	108.0	−3.6
Deutsche mark	156.0	+44.9
Swiss franc	200.8	+81.6
Guilder	126.4	+20.4
French franc	102.6	−5.3
Lira	53.1	−51.4
Yen	129.8	+27.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

July 11	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16¾-17	9-9¼	10½-12½	10¼-10½	3⅝-4	9⅝-9 13/16	12-12¼	16-19	—	13-13¼
7 days' notice	17-17¼	9-9¼	11½-12½	10¼-10½	4½-4¾	9½-9⅝	12-12¼	19-23	9-9⅛	12¾-13¼
Month	16⅛-16¾	9½-9¾	11-11⅜	10¼-10½	5⅛-5¼	9½-9⅝	12 1/16-12 3/16	20½-23½	9⅜-9 11/16	12⅞-13
Three months	15⅞-16⅛	9⅜-9⅝	10⅞-11¼	10⅛-10⅜	5 7/16-5 9/16	9¼-9⅜	12 1/16-12 3/16	21-23	9 7/16-9 9/16	12½-12¾
Six months	14⅝-14⅞	9⅜-9 11/16	10½-10⅞	10⅛-10⅜	5⅜-5½	8⅞-9 1/16	12 1/16-12 3/16	21-22½	9 7/16-9 9/16	11 7/16-11 9/16
One Year	13½-13¾	9¾-10	10½-10⅞	10-10¼	4 15/16-5 1/16	8¼-8⅜	12 3/16-12 5/16	20-21½	9 11/16-9 13/16	9½-9¾

Long-term Eurodollar two years 10⅝-10⅞ per cent; three years 10⅞-11⅛ per cent; four years 11-11¼ per cent; five years 11⅛-11⅜ per cent; nominal closing rate. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 9.00-9.10 per cent; three-months 9.15-9.25 per cent; six-months 9.10-9.20 per cent; one year 9.15-9.25 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU July 11	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3452	+1.40	+0.89	±1.53
Danish Krone	7.72336	7.80138	+1.01	+0.30	±1.64
German D-Mark	2.48208	2.51537	+1.34	+0.63	±1.125
French Franc	5.84700	5.83967	−0.13	−0.84	±1.3557
Dutch Guilder	2.74362	2.75274	+0.33	−0.38	±1.512
Irish Punt	0.668201	0.670990	+0.42	−0.29	±1.668
Italian Lira	1157.79	1198.74	+3.54	+2.91	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

July 11	£	$		£ Note Rates
Argentina Peso	4415-4435	1860-1867	Austria	29.10-29.30
Australia Dollar	2.0445-2.0485	0.8605-0.8610	Belgium	66.30-66.90
Brazil Cruzeiro	123.38-124.38	52.115-52.315	Denmark	12.77-12.87
Finland Markka	8.54-8.56	3.6035-3.6055	France	9.56-9.62
Greek Drachma	100.837-103.275	42.45-42.60	Germany	4.12½-4.15½
Hong Kong Dollar	11.66-11.68	4.9070-4.9090	Italy	1935-1975
Iran Rial	n a	n a	Japan	516-521
Kuwait Dinar(KD)	0.629-0.635	0.2663-0.2664	Netherlands	4.51½-4.54½
Luxembourg Frc.	66.25-66.35	27.87-27.89	Norway	11.37-11.46
Malaysia Dollar	5.0775-5.0875	2.1365-2.1385	Portugal	112-115
New Zealand Dlr.	2.3980-2.4030	1.0090-1.0100	Spain	162¼-169
Saudi Arab. Riyal	7.86-7.91	3.3190-3.3220	Sweden	9.73-9.82
Singapore Dollar	5.0050-5.0150	2.1060-2.1080	Switzerland	3.78-3.81
Sth. African Rand	1.8165-1.8190	0.7640-0.7650	United States	2.37¼-2.38¼
U.A.E. Dirham	8.75-8.81	3.7000-3.7030	Yugoslavia	62¼-67

Rate given for Argentina is free rate

U.K. CONVERTIBLE STOCKS 11/7/80

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Bank of Ireland 10pc Cv. 91-96	1.20	147.00	47.6	77-81	6.9	4.7	−14.3	−14 to −7	0.0	9.5	5.5	+19.8
British Land 12pc Cv. 2002	7.71	288.00	333.3	80-97	4.2	1.8	−2.4	−4 to 6	0.0	89.9	30.5	+32.9
Hanson Trust 6½pc Cv. 88-93	3.02	92.00	57.1	76-81	7.2	7.7	−6.4	−10 to −2	3.1	3.2	0.1	+6.5
Slough Estates 10pc Cv. 87-90	5.44	245.00	187.5	78-86	4.1		−4.6	−5 to 2	36.3	39.9	1.4	+6.1
Slough Estates 8pc Cv. 91-94	24.88	122.00	78.0	80-91	6.6	5.3	14.2	14 to 22	26.4	47.9	20.1	+5.9
Ultramar 7pc net R.Cv.Pfd.	12.59	3.75	1.1	76-81	2.7		−0.4	−4 to 6	11.5	9.7	−0.5	−0.1
Wilkinson Match 10pc Cv. 84-98	11.10	80.00	40.0	76-83	12.5	12.9	25.0	25 to 63	15.0	24.8	15.3	−9.7

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Equity leaders close up on day after late recovery
Gilts consolidate recent advance—New tap stock

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
June 30	July 10	July 11	July 21
July 14	July 24	July 25	Aug. 4
July 28	Aug. 7	Aug. 8	Aug. 18

* "New time" dealings may take place from 9 am two business days earlier.

Investment activity in Government stocks abated yesterday and leading equities emerged as the main feature on the last day of the fortnightly trading Account in London stock markets. Reflecting revived concern about world economic trends after the OECD's gloomy view on the outlook for the next 12 months and reports of further factory closures in the UK, leading shares opened sharply lower with jobbers taking a cautious line.

Some dealers expected a continuation of the selling which had developed during Thursday's after-hours' trade but this failed to materialise and values soon made a tentative rally. **Imperial Group's** disappointing interim statement remained an inhibiting influence until the **Thorn EMI** preliminary figures were announced just after 2.00 pm. The latter pleased the market and led to a quickening of the recovery in the equity sector as a whole.

After the official close, when business for the Account beginning on Monday is allowed without penalty, the improved confidence showed in the majority of leading industrials which generally settled with modest gains on the day. The outstanding example was Thorn EMI which reversed an early fall of 10 to end that amount up on balance at 314p. The FT 30-share made a similar turnround measured by over ten points: 6.7 down at the first calculation, it closed with a net gain of 3.6 at 493.0 for a rise of 9.2 on the week during which the index touched its highest, 495.0, since June of last year.

Gilt-edged securities spent a much quieter session consolidating the advances made earlier in the week. The Chancellor's optimism about a substantial fall in the rate of inflation before the year-end underpinned market sentiment which was unaffected by news of yet fresh Government funding in the shape of a special low-coupon short-dated stock; a further tranche of **Exchequer 3 per cent 1983**, designated "A," is to be issued by tender next Thursday, payable in full on application.

Quieter conditions prevailed in the Traded options market with the total number of contracts completed amounting to 1,123 for a week's daily average of 1,746. **Lonrho** attracted 256 deals.

Banks quietly firm

Interest in the major clearing banks was at a fairly low ebb, but the recent firm trend was maintained. **Lloyds**, which start the interim dividend season next Friday, hardened 2 to 337p, while **Midland** improved 3 to 368p; the latter's figures are due on July 25. Elsewhere, **Bank of Ireland** rose 15 to 325p in a thin market. Merchant banks drifted lower on profit-taking with recent high-flier **Hambros** 6 easier at 506p. **Guinness Peat** relinquished 4 to 123p and **Keyser Ullmann** gave up 3 to 88p.

The rejection of the group's appeal to the EEC over dual pricing of Scotch whisky together with adverse comment prompted early dullness in **Distillers**; support was seen at the lower levels, however, and the shares rallied to close only 2 lower on balance at 214p, after 211p. The chairman's bearish comments on current trading continued to unsettle **H. P. Bulmer**, 6 down for a three-day fall of 12 to 186p.

Building issues closed mixed after a subdued trade. **Wimpey** continued to attract buyers and added 4½ to a 1980 peak of 87p, but **Taylor Woodrow** eased 8 to 418p and **Redland** shed 4 to 173p. Elsewhere, **Heywood Williams** continued to reflect disappointment with the annual results and lost 3 for a fall on the week of 11 to 59p. **Burnett and Hallamshire**, a rising market of late on vague bid rumours, slipped to 745p before reverting to the overnight level of 760p for a gain on the week of 105p.

ICI slipped to 378p before new-time buying lifted the price to the overnight level of 384p. Among other Chemicals, **Anchor** came on offer and shed 6 to a 1980 low of 64p.

Having drifted easier for most of the session, leading Stores found support after the official close and most ended a shade firmer. **UDS**, 71p, and **House of Fraser**, 128p, both added 2, while **Debenhams** hardened a penny to 76p. Secondary issues often behaved similarly with **Ratners** closing 2 better on balance at 62p, after 56p.

Thorn-EMI pleases

Thorn-EMI closed 10 higher at 314p following the better-than-expected preliminary profits after having been sold down to 294p following overnight news that it is to close its factory at Chigwell, Essex, and cut working hours at two others. **Plessey** rallied in sympathy to finish 2 better at 209p, making a rise on the week of 18. Elsewhere in Electricals, **Muirhead** jumped 18 to 116p on speculative buying fuelled by rumours of a bid from Tyco Laboratories of America, which already holds a near-15 per cent stake. **Farnell** gained 6 to 324p, but profit-taking left **Ferranti** 9 lower at 635p.

John Brown stood out among the Engineering leaders, closing 3 better at 55½p on Press comment; the annual results are due on July 25. Elsewhere, **Whessoe** added 5 to 67p for a similar reason and **Howden** gained 3½ more to 96½p after comment on the good results. **Williams and James**, 115p, and **Bullough**, 162p, rose 9 and 6 respectively, while **Braham Millar** hardened 1½ to 10½p despite the sharp contraction in profits. Small selling in an unwilling market left **Aurora** 6 down at 46p, after 45p.

News that the company had introduced short-time working because of the slump in consumer spending clipped a couple of pence from **Tesco**, 56p. Elsewhere in the Food sector, **Associated Fisheries** put on 3 to 76p as bid rumours revived, but **Louis C. Edwards** encountered profit-taking and shed 5 to 65p.

Tebbitt good again

Still excited by the stakes recently taken in the company by Messrs. John Bentley and Jim Slater, **Tebbitt** rose 4 more making a gain on the week of 9½ at 38p. **Lawtex** rose 3 to 58p in response to Press comment and **Vinten** edged forward 2 more to 154p on continued demand ahead of Monday's preliminary figures. **Sotheby's**, however, dropped 42 more for a two-day relapse of 87 to 458p after comment on the first-half figures and the Board's warning that it expects no profits increase for the year. End-Acount profit-taking clipped 9 from **Cawods**, at 206p, while **Howard Tenens** declined 4 to 73p in the absence of bid developments. **Christie-Tyler** dipped 3 to 52p ahead of next Thursday's annual results while **Foseco Minsep**, 156p, and **Peter Black**, 83p, declined 4 apiece. The miscellaneous industrial leaders picked up late in the day with **Bowater** closing 7 to the good at 190p and **Beecham** 4 dearer at 151p, but **Rank Organisation** softened 3 to 193p ahead of next Monday's interim statement.

Good late support lifted **Dunlop** from 80p for a net rise of 3 to a 1980 peak of 85p. **Fodens** eased 2 to 25p in front of next Thursday's preliminary results.

Easier at first on end-Account influences, Properties picked up during after hours' dealings and closed with modest gains on balance.

Oils down afresh

Talk of a pending brokers' circular, confirmed after hours, downgrading British Petroleum's prospects caused fresh dullness in Oils, but closing levels were usually a few pence above the worst. **British Petroleum** shed 4 for a two-day fall of 12 to 348p, after 346p. **Ultramar** lost 12 to 344p and **Tricentrol** 6 to 358p. **Candecca** reacted 14 to 184p, while **Clyde** fell to 500p before settling 20 lower on balance at 515p. **Sovereign** and **Attock** shed 12 apiece to 253p and 238p respectively. **Pict** became a volatile market and closed 10 higher at 410p, after 400p. Canadian Oils attracted fresh speculative support, **Dougle Eagle** rising 53 to 173p and **Warrior** gaining 28 to 163p. Dealings in **Basic Resources** were suspended at 585p, down 5, pending an announcement. **Global Natural Resources**, which made its official London debut on Tuesday, met support and firmed 10 to 465p.

Lonrho, interim results due Thursday, continued to move ahead pending details of a new mining venture and ended 5 up at a 1980 high of 117p.

Reflecting dullness in Oils, **Atlantic Assets**, 199p, and **Viking Resources**, 117p eased 6 and 4 respectively. Elsewhere in Trusts, a Press mention helped **Caledonia**, 4 better at 301p, but **Stanhope General**, up 40 on Thursday following an offer, eased 5 to close at 195p. In Financials, stockjobbers **Akroyd and Smithers** picked up 4 to record a week's gain of 47 at 340p.

An otherwise subdued Textile sector was enlivened by an agreed share-exchange offer for **Mackinnon of Scotland** from **Dawson International**. The former jumped 22 to 47½p, while Dawson gained a penny at 120p. **Nova (Jersey)** eased 3 to 50p ahead of next Thursday's annual figures.

Charter rebound

The London Financials and the Strata group of companies dominated activity in mining markets.

The former initially fell sharply in the wake of sizeable profit-taking but subsequently staged a strong and sustained rally following heavy "new-time" buying and fresh investment support.

Charter Consolidated were very active; the shares dropped to 222p in early trading but recovered to close 4 up on balance at 234p, a week's rise of 27.

Australians were featured by **Strata/Haoma/North West Mining** on heavy buying ahead of the Woodada No. 2 well reaching target depth. Strata touched a record 130p before closing 11 up at 126p—up 26 on the week—while **North West Mining** advanced 12 to a peak 168p and **Haoma** 6 to an all-time high of 196p.

Hampton Trust spurted 21½ to 59p, after a 1980 high of 61p, following news that the company has acquired a 3.5 per cent interest in permit EP-100, in which Strata's Woodada gas discovery is located.

Other Australians sustained widespread losses on profit-taking in overnight domestic markets which followed through into London although a minor rally in the after-hours' trade took prices off the day's lowest.

South African Golds held steady for most of the day prior to moving ahead in the late trade in response to American support. The Gold Mines index put on 5.1 to 366.8, making a rise of 6.2 on the week.

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	300	50	2	66	—	80	3	346p
BP	330	20	—	44	9	60	—	"
BP	360	5	4	23	14	40	6	"
BP	390	1	—	13	3	26	—	"
BP	420	½	—	8	11	—	—	"
Com. Union	160	4	10	14	11	19	2	159p
Cons. Gold	500	45	6	73	—	95	—	536p
Cons. Gold	550	11	22	50	3	65	—	"
Cons. Gold	600	3	20	21	2	42	20	"
Courtaulds	60	25½	—	29	—	30½	5	84p
Courtaulds	80	6	—	12½	17	17	—	"
Courtaulds	90	1	17	8	118	12	6	"
GEC	360	90	3	104	—	120	—	443p
GEC	390	60	—	75	1	94	—	"
GEC	420	30	19	52	3	72	—	"
GEC	460	8	—	28	35	48	1	"
Grand Met.	120	44½	—	47	21	53	—	163p
Grand Met.	160	5	25	17	—	22½	3	"
Grand Met.	180	1½	—	8	—	15½	10	"
ICI	390	6	1	20	26	35	1	379p
Land Secs.	323	34	7	54	9	65	3	352p
Land Secs.	353	8½	11	34	96	44	14	"
Marks & Sp.	90	5½	9	11½	—	15	—	94p
Marks & Sp.	100	1	—	6	10	10	—	"
Shell	390	20	5	44	—	58	2	408p
Shell	420	4	5	24	32	38	—	"
Totals			166		411		76	
		August		**November**		**February**		
Imperial Gp.	70	12½	12	14½	—	17	—	80p
Imperial Gp.	80	4	44	6½	20	10½	—	"
Imperial Gp.	90	1	4	3½	12	5½	—	"
Lonrho	90	29	—	33	4	35	—	116p
Lonrho	100	19½	32	24	14	28	25	"
Lonrho	110	12	37	19	5	27	—	"
Lonrho	120	6	109	12	30	15	—	"
P. & O.	120	11	20	17½	—	19½	1	126p
P. & O.	130	6½	1	10	—	13½	1	"
Racal Elec.	240	38	7	52	—	62	—	274p
Racal Elec.	260	24	11	36	5	48	—	"
Racal Elec.	280	12	4	23	28	36	—	"
RTZ	360	105	7	122	7	140	—	459p
RTZ	420	50	1	73	3	97	—	"
RTZ	460	28	4	45	4	70	—	"
RTZ	500	14	11	28	7	45	—	"
Totals			304		139		27	

FINANCIAL TIMES STOCK INDICES

	July 11	July 10	July 9	July 8	July 7	July 4	A year ago
Government Secs.	70.73	70.71	70.73	70.39	70.34	69.97	[illegible]
Fixed Interest	71.96	71.92	71.66	71.56	71.43	71.17	[illegible]
Industrial	493.0	489.4	493.0	492.7	495.0	483.8	[illegible]
Gold Mines	366.8	361.7	369.2	373.6	364.1	360.6	[illegible]
Ord. Div. Yield	7.37	7.40	7.38	7.36	7.34	7.50	[illegible]
Earnings, Yld. % (full)	17.89	18.00	17.90	17.91	17.84	17.98	[illegible]
P/E Ratio (net) (*)	6.76	6.74	6.77	6.77	6.79	6.76	[illegible]
Total bargains	27,636	25,425	26,926	30,667	27,695	26,151	—
Equity turnover £m.	—	167.71	150.99	211.54	145.90	171.09	89.88
Equity bargains total	—	21,194	20,100	24,829	20,395	19,734	12,540

10 am 482.7. 11 am 485.3. Noon 485.2. 1 pm 485.1. 2 pm 486.0. 3 pm 485.9.

Latest Index 01-246 8026.

*Nil=6.32.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	70.73 (9/7)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	71.96 (11/7)	64.70 (19/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	495.0 (7/7)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (28/2)	265.5 (18/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	July 11	July 10
—Daily		
Gilt Edged	122.5	[illegible]
Industrials	135.6	[illegible]
Speculative	40.6	[illegible]
Totals	92.5	[illegible]
5-day Avge.		
Gilt Edged	126.7	127.9
Industrials	144.3	147.9
Speculative	54.0	[illegible]
Totals	97.3	[illegible]

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	55	15	21	285	62	108
Corps. Dom. and For. Bonds	7	1	58	74	19	237
Industrials	165	326	902	1,528	1,061	4,378
Financial and Property	53	207	237	869	520	1,096
Oils	7	29	17	41	133	91
Plantations	8	3	15	34	19	77
Mines	63	34	61	215	235	340
Others	26	63	72	189	225	376
Totals	384	678	1,383	3,235	2,274	6,703

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., July 11, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., July 10 Index No.	Wed., July 9 Index No.	Tues., July 8 Index No.	Mon., July 7 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	271.95	−0.3	17.01	6.02	7.13	272.64	271.65	271.25	268.11	238.93	272.64 (10/7)	208.87 (3/1)	287.67 (4/5/79)	50.71 (13/12/74)
2	Building Materials (28)	257.97	−0.2	17.58	6.46	6.69	258.49	259.11	258.93	255.66	220.87	259.11 (9/7)	194.00 (3/1)	270.52 (8/5/79)	44.27 (11/12/74)
3	Contracting, Construction (27)	406.64	+0.7	22.70	6.02	5.25	403.88	399.02	397.82	387.28	350.69	406.64 (11/7)	313.00 (3/1)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (16)	757.95	−0.2	13.04	3.45	9.51	759.60	754.58	752.84	750.12	572.55	759.60 (10/7)	539.56 (2/1)	759.60 (10/7/80)	84.71 (25/6/62)
5	Engineering Contractors (11)	327.21	−0.5	20.75	7.92	6.04	328.91	325.24	322.44	312.83	379.35	328.91 (10/7)	264.74 (30/5)	429.70 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (74)	179.50	−0.4	17.80	7.36	6.88	180.17	179.47	179.46	176.86	178.07	180.17 (10/7)	146.46 (3/1)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	169.32	−0.9	21.35	10.02	5.61	170.81	171.52	171.52	169.56	165.03	171.52 (8/7)	141.95 (2/1)	192.29 (4/5/79)	49.65 (6/1/75)
	CONSUMER GOODS														
11	(DURABLE) (49)	229.38	+0.3	14.07	5.61	8.72	228.73	228.28	228.19	228.10	222.29	229.38 (11/7)	184.82 (3/1)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (14)	340.13	+0.4	10.81	4.01	11.78	338.92	337.24	337.96	338.44	303.50	340.13 (11/7)	247.36 (3/1)	358.49 (11/9/79)	42.85 (13/12/74)
13	Household Goods (14)	101.81	−0.3	23.80	10.38	5.30	102.16	102.94	103.46	101.98	156.56	116.40 (1/1)	93.32 (9/6)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (21)	102.99	+0.2	22.26	9.64	5.19	102.81	103.34	102.37	102.06	113.27	115.86 (29/1)	94.70 (4/6)	170.59 (15/1/69)	19.91 (6/1/75)
	CONSUMER GOODS														
21	(NON DURABLES) (172)	237.82	−0.3	17.36	6.78	6.95	237.78	239.54	240.12	240.09	230.13	240.12 (8/7)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	304.48	+0.1	14.86	6.05	7.85	304.29	305.09	306.45	305.64	271.08	306.45 (8/7)	248.93 (3/1)	306.45 (8/7/80)	69.47 (13/12/74)
23	Wines and Spirits (5)	317.73	−0.7	17.14	5.88	7.19	320.09	321.58	322.92	320.12	304.75	322.92 (8/7)	278.92 (2/6)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	342.90	−0.9	16.84	6.52	7.36	345.93	349.24	349.15	349.80	303.92	349.80 (7/7)	268.87 (3/1)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturers (21)	214.77	−0.7	18.71	6.94	6.29	216.36	216.86	216.99	216.50	200.92	216.99 (8/7)	183.95 (28/3)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (13)	328.15	−0.7	12.83	4.82	9.30	330.48	333.69	339.64	337.47	290.75	339.64 (8/7)	286.28 (3/1)	339.64 (8/7/80)	54.25 (11/12/74)
32	Newspapers, Publishing (13)	445.54	−1.6	21.43	6.56	6.30	452.81	449.87	452.76	453.98	414.92	455.30 (14/2)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	138.11	+1.2	25.87	9.48	4.49	136.52	137.51	136.74	136.46	122.43	138.11 (11/7)	111.30 (3/1)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (42)	225.75	+0.2	13.61	5.46	9.47	225.30	225.97	226.41	227.73	237.88	229.86 (18/6)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (24)	139.88	−0.3	23.35	11.10	5.21	140.24	140.15	140.11	140.47	154.40	140.47 (7/7)	116.89 (6/6)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	226.37	−1.3	25.35	10.28	4.49	229.25	239.06	239.09	238.18	233.39	239.09 (8/7)	192.86 (3/1)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (5)	27.15	−0.5	44.78	14.04	2.59	27.30	27.30	27.24	26.95	68.57	47.59 (1/1)	25.08 (16/6)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (99)	226.86	−0.1	16.35	6.79	7.27	227.01	227.29	227.81	228.85	197.43	228.85 (7/7)	184.19 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (16)	322.63	−0.1	19.23	7.47	5.96	322.83	322.77	324.45	326.53	269.94	326.53 (7/7)	276.80 (3/1)	329.77 (4/5/79)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	232.44	+1.1	10.89	5.94	11.36	229.87	231.05	231.93	241.07	214.11	241.07 (7/7)	175.38 (28/5)	291.13 (14/9/78)	175.38 (28/5/80)
44	Office Equipment (6)	112.19	−0.9	19.41	7.39	5.89	113.16	114.08	114.32	112.95	117.97	123.10 (14/2)	98.57 (2/6)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	590.53	+0.4	13.00	5.98	9.38	588.34	581.63	579.49	584.76	466.55	590.53 (11/7)	411.53 (10/1)	590.53 (11/7/80)	90.80 (29/6/62)
46	Miscellaneous (60)	275.56	−0.6	16.40	6.61	7.47	277.13	277.71	277.72	274.52	238.03	277.72 (8/7)	211.86 (3/1)	277.72 (8/7/80)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (492)	250.46	−0.2	16.80	6.50	7.17	250.96	251.54	251.83	251.32	230.82	251.83 (8/7)	203.76 (3/1)	273.01 (4/5/79)	59.01 (13/12/74)
51	Oils (8)	790.98	−0.8	29.19	6.51	3.78	797.03	807.71	806.63	802.91	678.66	840.16 (5/3)	668.86 (8/1)	840.16 (5/3/80)	87.23 (29/5/62)
59	500 SHARE INDEX	293.34	−0.3	19.31	6.50	6.07	294.26	295.61	295.80	295.04	266.72	295.80 (8/7)	241.13 (3/1)	308.20 (4/5/79)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	228.24	−0.2	—	5.50	—	228.78	228.35	228.26	228.47	188.36	228.78 (10/7)	175.85 (3/1)	241.41 (11/4/72)	55.88 (13/12/74)
62	Banks (6)	240.21	+0.2	40.61	6.77	3.02	239.84	238.47	237.54	236.39	236.90	243.90 (18/6)	201.01 (8/4)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	270.62	+0.1	—	6.56	—	270.47	270.57	270.48	265.29	265.03	270.62 (11/7)	206.50 (18/3)	293.13 (2/5/72)	83.40 (10/12/74)
64	Hire Purchase (5)	238.17	−0.1	13.12	4.20	9.90	238.49	238.76	235.11	234.16	162.37	238.76 (9/7)	160.72 (3/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	222.64	−0.2	—	5.72	—	223.17	225.45	226.56	226.09	149.59	226.56 (8/7)	151.80 (3/1)	226.56 (8/7/80)	44.88 (2/1/75)
66	Insurance (Composite) (9)	152.78	−0.3	—	7.04	—	153.27	153.92	154.86	156.43	119.89	156.43 (7/7)	117.05 (3/1)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (9)	331.91	−0.8	14.00	6.90	9.81	334.70	333.85	339.29	343.75	239.33	343.75 (7/7)	256.48 (3/1)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (13)	131.61	−1.5	—	5.12	—	133.62	132.45	133.12	132.68	97.08	133.62 (10/7)	87.47 (3/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (45)	425.20	−0.2	3.30	2.73	42.64	426.13	422.97	420.23	420.53	346.41	426.13 (10/7)	304.20 (3/1)	426.13 (10/7/80)	56.01 (20/4/65)
70	Miscellaneous (11)	138.80	−0.3	15.83	6.29	8.02	139.22	138.83	138.19	137.77	119.27	139.22 (10/7)	119.62 (3/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	258.50	−1.0	—	5.39	—	261.12	261.33	262.51	254.78	206.40	262.51 (8/7)	188.97 (3/1)	262.51 (8/7/80)	71.63 (13/12/74)
81	Mining Finance (4)	244.34	−0.1	11.05	4.04	10.92	244.69	248.03	247.76	243.26	116.45	248.03 (9/7)	161.95 (1/1)	248.03 (9/7/80)	66.31 (30/9/74)
91	Overseas Traders (19)	404.88	−0.1	12.35	6.91	9.94	405.24	406.36	405.65	401.53	331.87	437.34 (13/2)	330.03 (3/1)	437.34 (13/2/80)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	280.09	−0.3	—	6.18	—	281.01	281.98	282.14	280.95	244.00	282.14 (8/7)	225.06 (3/1)	283.82 (4/5/79)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., July 11	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	106.64	+0.04	—	5.26
2	5-15 years	113.60	+0.13	—	6.77
3	Over 15 years	118.82	+0.12	—	7.39
4	Irredeemables	132.09	+0.09	—	7.24
5	All stocks	112.66	+0.09	—	6.48

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Fri., July 11	Thurs., July 10	Year ago (approx.)	1980 Highs	1980 Lows
1	Low	5 years	11.46	11.46	10.45	13.32 (4/3)	11.46 (11/7)
2	Coupons	15 years	11.42	11.42	11.23	13.32 (4/3)	11.42 (11/7)
3		25 years	11.37	11.38	11.28	13.12 (4/3)	11.37 (11/7)
4	Medium	5 years	12.96	12.92	12.41	15.37 (4/3)	12.89 (9/7)
5	Coupons	15 years	12.93	12.93	12.65	14.72 (4/3)	12.93 (11/7)
6		25 years	12.86	12.87	12.37	14.50 (4/3)	12.86 (11/7)
7	High	5 years	13.05	13.03	12.60	15.44 (4/3)	13.01 (7/7)
8	Coupons	15 years	13.26	13.29	12.76	14.97 (4/3)	[illegible]
9		25 years	13.30	13.31	12.61	14.75 (4/3)	[illegible]
10	Irredeemables		11.12	11.12	10.73	12.53 (21/3)	[illegible]

		Fri. July 11 Index No.	Yield %	Thur. July 10	Wed. July 9	Tues. July 8	Mon. July 7	Fri. July 4	Thur. July 3	Wed. July 2	Year ago (approx.)	1980 Highs	1980 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	53.65	11.62	53.59	53.56	53.36	53.19	53.08	52.94	53.00	57.28	53.65 (11/7)	49.12 (7/1)	113.45 (28/11/47)	37.06 (6/1/75)
16	Investment Trust Prefs. (15)	49.71	13.87	49.71	49.97	49.97	49.97	[illegible]	[illegible]	[illegible]	52.03	49.97 (4/7)	45.19 (7/1)	114.41 (18/1/58)	33.63 (1/1/75)
17	Coml. and Indl. Prefs. (20)	65.26	13.76	65.05	64.67	64.61	64.50	64.42	64.46	64.46	71.16	65.26 (11/7)	60.92 (7/1)	114.96 (7/10/69)	47.67 (6/1/75)

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Industrial Group	31/12/70	128.20
Other Groups	31/12/74	63.75	Miscellaneous Financial	31/12/70	128.06
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering Contractors	31/12/71	153.84	Food Retailing	29/12/67	114.13
Mechanical Engineering	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	16/1/70	114.00	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	135.72	All Other	10/4/62	100.00
Office Equipment	16/1/70	128.20	British Government	31/12/75	100.00

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 25p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business Publishing Limited, Minster House, Arthur Street, London EC4R 9AX, at £50 per copy.

OPTIONS

First Dealing	Last Dealing	Last Declaration	For Settlement
Jul. 7	Jul. 18	Oct. 9	Oct. 20
Jul. 21	Aug. 1	Oct. 23	Nov. 3
Aug. 4	Aug. 15	Nov. 6	Nov. 17

For rate indications see end of Share Information Service

Stocks favoured for the call included BP, Hambro Life, Sovereign, Courtaulds, Imperial Group, Lee Cooper, Muirhead, Montague L. Meyer, BSG, Dunlop, Louis C. Edwards, Grattan Warehouses, Corinthian Holdings, Braham Millar, Tebbitt Brothers, Hampton Trust, Lonrho and Whessoe. Puts were done in Premier Oil, Lonrho and GEC, while doubles were arranged in Airfix, FNFC, Lonrho, Tebbitt Brothers, Blyvoor, Woodside, Burmah and Muirhead.

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (111)

BRITISH FUNDS (32)
CORPORATION LOANS (1)
COMMONWEALTH AND AFRICANS (1)
FOREIGN BONDS (1)
AMERICANS (3)
BANKS (1)
BEERS (1)
BUILDINGS (5)
DRAPERY AND STORES (1)
ELECTRICALS (9)
ENGINEERING (4)
INDUSTRIALS (12)
MOTORS (2)
PROPERTY (2)
SHIPPING (2)
TEXTILES (5)
TRUSTS (18)
OILS AND GAS (2)
OVERSEAS TRADERS (2)
TEAS (1)
MINES (6)

NEW LOWS (19)

CHEMICALS (1)
Anchor Chem.
STORES (2)
Lincroft Kilgour — Waring & Gillow
ENGINEERING (3)
Alcan Aluminium — Butterfield Harvey
Aurora
FOODS (3)
Barker & Dobson — FMC
Bishop's Stores 'A' N/V
INDUSTRIALS (5)
Aero Needles — Unilex
Black (P.) — Utd. Guarantee
PMA
LEISURE (2)
Black & Edgington — Fairline Boats
MOTORS (1)
Quick (H. & J.)
TEXTILES (1)
Tern-Consulate
MINES (1)
Geevor

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
75	F.P.	—	[illegible]	[illegible]	Global Nat.Res.C.Shs	465	+10	[illegible]	[illegible]	[illegible]	[illegible]
56	F.P.	[illegible]	79	76	Harrison Cowley	78	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	96	90	Home Farm Prods. 10p	90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	9	3	Jenkin & Purser	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	91	79	Oakwood Group	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100	F.P.	[illegible]	103	99	Peerless	103	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80	F.P.	[illegible]	112	106	H.P.O. Minerals 10p	106	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	British Home Stores 9% Cnv. Ln. '92	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cowie (T.) 10% Conv. Red. Cum. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dalai 8¾% Conv. Bds. due 1995	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Folkestone & District Water 10p.c. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	London & Midlandinds 8¾ pc Deb. '89-94	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	North Surrey Water 10p.c. Pref. 1985	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	South Staffs. Waterworks 10% Red. Pref. 1985	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sunderland & Shields Wtr 9¾% Rd. Prf. 1985	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Astbury & Madeley	117	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Berisford (S. & W.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Brown & Jackson	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. † Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at £2.50 per unit. ¶ Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Henderson Admin. (Guernsey) Ltd. [illegible]

Henderson Baring Group [illegible]

Hill-Samuel & Co. (Guernsey) Ltd. [illegible]

Hill Samuel Invest. Mgmt. Intnl. [illegible]

N.V. Interbeheer [illegible]

International Pacific Inv. Mgmt. Ltd. [illegible]

Jardine Fleming & Co. Ltd. [illegible]

Leopold Joseph & Sons (Guernsey) [illegible]

Kemp-Gee Management Jersey Ltd. [illegible]

Keyser Ullman Ltd. [illegible]

King & Shaxson Mgrs. [illegible]

Kleinwort Benson Limited [illegible]

Lazard Brothers & Co. (Jersey) Ltd. [illegible]

Lloyds Bk. (C.I.) U/T Mgrs. [illegible]

Lloyds Bank International, Geneva [illegible]

M & G Group [illegible]

Management International Ltd. [illegible]

Midland Bank Trst. Corp. (Jersey) Ltd. [illegible]

Samuel Montagu Ldn. Agents [illegible]

Murray, Johnstone (Inv. Adviser) [illegible]

Negit S.A. [illegible]

Nat. Westminster Jersey Fd. Mgrs. Ltd. [illegible]

N.E.L. International Ltd. [illegible]

Phoenix International [illegible]

Pacific Basin Fund [illegible]

Providence Capitol Life Ass. (C.I.) [illegible]

Quest Fund Mngmnt. (Jersey) Ltd. [illegible]

RBC Investment Managers Limited [illegible]

Richmond Life Ass. Ltd. [illegible]

Rothschild Asset Management (C.I.) [illegible]

Rothschild Asset Mgt. (Bermuda) [illegible]

Save & Prosper International [illegible]

Schroder Life Group [illegible]

J. Henry Schroder Wagg & Co. Ltd. [illegible]

Sentry Assurance International Ltd. [illegible]

Singer & Friedlander Ldn. Agents [illegible]

Standard Chartered Intl. Bd. Fd. [illegible]

Stronghold Management Limited [illegible]

Surinvest (Jersey) Ltd. [illegible]

Surinvest Trust Managers Ltd. [illegible]

TSB Unit Trust Managers (C.I.) Ltd. [illegible]

TSB Gilt Fund Managers (C.I.) Ltd. [illegible]

Tokyo Pacific Holdings N.V. [illegible]

Tokyo Pacific Hldgs. (Seaboard) N.V. [illegible]

Tyndall Group [illegible]

Utd. Intnl. Mngmnt. (C.I.) Ltd. [illegible]

Unilife Assurance (Overseas) Ltd. [illegible]

Union-Investment-Gesellschaft mbH [illegible]

S. G. Warburg & Co. Ltd. [illegible]

Warburg Invest. Mngt. Jrsy. Ltd. [illegible]

Wardley Investment Services Ltd. [illegible]

World Wide Growth Management [illegible]

Wren Commodity Trust [illegible]

NOTES [illegible]

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	49.0	52.7	-0.1	1.90
Abbey Capital	40.0	43.2	-0.4	5.05
Abbey General	52.0	55.2	-0.5	5.56
Abbey Gilt & F.I. Tst.	111.7	117.6	-0.1	8.32
Abbey Income	37.2	41.0xd	-0.4	7.41
Abbey Intl. Bd. Tst.	95.8	101.4xd	-0.1	5.42
Abbey Inv. Tst. Fnd.	43.3	46.8	-0.4	5.46
Equitas Prog. Trust	76.5	82.7	-0.8	5.42

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Fxd.	89.9	96.0	...	11.77

Allied Hambro Ltd. (a) (b)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	84.2	90.1	-0.7	5.88
Brit. Inds. Fund	73.8	79.0	-0.5	6.58
Growth & Income	45.2	48.4xd	-0.4	7.74
Elect. & Ind. Dev.	41.7	44.0	-0.3	5.57
Allied Capital	85.7	91.7	-0.7	4.86
Hambro Fund	126.7	135.6xd	-1.3	4.49
Hambro Acc. Fund	160.0	171.2	-1.8	5.26
Income Funds				
High Yield Fd.	67.8	72.5	-0.4	10.00
High Income	75.4	80.7	-0.4	7.81
A. H. Eq. Inc.	43.0	46.0	-0.3	7.89
Govt. Secs.	26.0	26.7	...	8.43
International Funds				
International	30.2	32.3	-0.1	3.34
Pacific Fund	55.6	59.5	-0.2	2.36
Secs. Of America	59.0	63.1xd	-0.4	2.85

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	66.2	69.6xd	...	4.39

For Cosmopolitan see Circulator Fund Managers.

Craigmount Unit Tst. Mgrs. Ltd.
40 Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	37.8	41.3xd	-1.8	11.26
North American	47.0	50.7	-0.7	2.31
Canadian Exempt*	60.9	64.8	...	5.80
Canadian Trust	57.7	61.9	-0.9	2.65
Mid Mount Hgh Inc.*	50.5	53.2	...	9.30
Recovery	55.4	59.3	-0.2	6.47
Gilt Trust	45.7	47.4	+0.1	12.82

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3. 031-226 4931

Cres. Amer. Fd.	28.1	30.2	...	1.24
Cres. Internat'l	62.5	67.4	...	2.60
Cres. High. Dist.	41.5	44.8	...	10.98
Cres. Reserves	48.9	52.8	...	5.68
Cres. Tokyo	20.7	22.4	...	1.00

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	—	25p	...	9.99

Discretionary Unit Fund Managers
Bilbao Hse, 36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. July 12	218.9	233.5	+10.7	5.48

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.0	18.7	...	7.64
Gt. Winchester O'seas	20.9	23.0	...	4.79

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	80.9	87.0	...	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	81.7	85.9	-0.9	4.96

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ 01-626 4588
See also Stock Exchange Dealings.

American	51.0	54.1	-0.4	2.02
(Accum. Units)	53.7	56.9	-0.4	2.02
American Recovery	50.2	53.2	-0.1	2.31
(Accum Units)	51.0	54.1	-0.1	2.31
Australasian	108.6	116.7	+0.7	0.78
(Accum. Units)	113.0	121.5	+0.7	0.78
Commodity	119.1	126.8	-0.2	5.45
(Accum. Units)	136.7	145.6	-0.2	5.45
Compound Growth	150.6	161.9	+0.8	4.01
Conversion Growth	100.5	107.0	+0.3	2.98
Conversion Inc.	75.5	80.4	-0.3	9.51
Dividend	132.8	141.4xd	-0.2	9.10
(Accum. Units)	284.5	303.0	-0.6	9.10
European	61.3	65.3xd	...	3.28
(Accum. Units)	66.3	70.6	-0.1	3.28
Extra Yield	87.0	94.4	-0.2	10.00
(Accum. Units)	131.3	142.5	-0.3	10.00
Far Eastern	80.8	86.0	+0.6	1.62
(Accum. Units)	91.3	97.3	+0.7	1.62
Fund of Inv. Tsts.	79.0	84.9	+1.0	4.67
(Accum. Units)	104.3	112.1	+1.4	4.67
General	209.4	225.1xd	-0.4	6.22
(Accum. Units)	354.6	381.2	-0.7	6.22
High Income	109.7	116.8xd	-0.2	9.70
(Accum. Units)	210.8	224.5	-0.4	9.70
Japan	134.7	143.5	+1.7	0.84
(Accum. Units)	140.8	149.9	+1.8	0.84
Magnum	323.4	344.4	+1.6	4.52
(Accum Units)	430.4	458.4	+2.1	4.52
Midland	168.8	179.8	+0.8	9.40
(Accum. Units)	311.1	331.3	+1.5	9.40
Recovery	121.0	128.9xd	+0.6	5.85
(Accum. Units)	133.3	142.0	+0.8	5.85
Second Gen.	219.2	235.0xd	+0.6	5.42
(Accum. Units)	358.8	385.7	+1.0	5.42
Smaller Companies	237.6	253.0	+1.0	4.55
(Accum. Units)	315.8	336.3	+1.4	4.55
Specialised Funds				
Trustee	165.8	178.2	+0.5	6.82
(Accum. Units)	359.3	386.3	+1.1	6.82
Charibond July 8	106.0		...	11.60
Charifund July 8	165.0	167.5	...	8.77
Pension Ex. July 7	166.4	175.6	...	6.42

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101

Growth Units	75.3	79.3	+2.7	4.47

J. Henry Schroder Wagg & Co. Ltd.♥(a)(c)
120, Cheapside, E.C.2. 01-200 3434

Capital July 8	136.3	145.4xd	...	3.25
(Accum. Units)	171.8	184.7	...	3.25
Income Fd July 8	202.4	217.6xd	...	8.39
(Accum Units)	337.8	363.2	...	8.39
Gen. July 9	106.1	114.0xd	...	4.46
(Accum. Units)	141.6	152.2	...	4.46
Europe July 10	25.4	27.3	...	3.33
(Accum. Units)	29.4	31.6	...	3.33
*Pn&ChFd June 30	209.0	215.6	...	5.05
*Recovery July 8	254.4	262.2	...	5.56
*Spec. Ex. July 8	350.6	361.4	...	3.45

*For tax exempt funds only

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq. Edinburgh 031-556 9101

Income Units	60.6	63.9	...	5.21
Accum. Units	74.8	79.6	...	5.21

Dealing day Wednesday.
For Sebag see Carr, Sebag Unit Trust Managers.

Security Selection Ltd.
Regis Hse., King William St., EC4
(Admin Office) 01-623 4951

Unvl Gth Tst Acc.	33.2	36.4	...	4.08
Unvl Gth Tst Inc.	25.6	27.3xd	...	4.08

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†Stewart American Fund				
Standard Units	64.7	68.8	...	1.97
Accum. Units	71.1	75.7	...	—
Withdrawal Units	45.5	48.5	...	—
*Stewart British Capital Fund				
Standard	167.0	177.2	...	6.53
Accum Units	193.0	204.9	...	6.53

Dealing †Tues. & Fri. *Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141

Exp. Eq. July 9	£302.10	318.10	...	5.04
♥The Family Fd.	123.8	131.7	-0.9	5.06

Target Tst. Mngrs. Ltd.♥(a)(g)
31, Gresham St., E.C.2. Dealings: 0296 5941
19, Athol Crescent, Edin. 3. 031-229 8621/2

Commodity	61.8	66.8	-0.1	2.57
Energy	45.8	52.0	...	2.97

Capital Life Assurance♥
Coniston House, Chapel Ash W'ton. 0902 28511

Key Invest. Fd.		110.93	...	—
Pacemaker Inv. Fd.		87.09	...	—

Charterhouse Magna Gp.♥
Stephenson Hse., Brunel Centre, Bletchley, Milton Keynes. 0908 641272

Chrthse Energy		57.0	...	—
Magna Bld. Soc.		156.5	...	—
Magna Managed		167.5	...	—

Chieftain Assurance Funds
11 New Street, EC2M 4TP. 01-283 3933

Managed Growth	155.51	163.70	-1.67	2.83
Managed Income	87.98	92.62	-0.09	—
International (z)	101.26	106.59	-0.23	—
High Income	88.44	93.10	...	—
Income & Growth	84.05	88.48	-0.35	—
Basic Resources	163.52	172.13	-2.98	—
American (z)	106.47	112.08	-1.43	—
Far Eastern (z)	101.37	106.71	-0.38	—
Cash	101.73	107.90	...	—

City of Westminster Assurance
Ringstead House, 6, Whitehorse Road, Croydon CR0 2JA. 01-684 9664

	Series (2)			(1) Bid
West Prop. Fund	86.9	91.5	...	82.8
Managed Fund	208.9	219.9	...	205.0
Equity Fund	63.0	66.4	-0.6	61.9
Farmland Fund	90.4	95.2	...	86.2
Money Fund	144.1	151.7	...	144.2
Gilt Fund	81.6	85.9	-0.1	81.7
Black Gold Fd.	108.5	114.2	-2.9	108.5
PULA Fund	214.6	216.8	...	214.6
Soc. Prop. Units	74.0	77.7	...	74.0
Pens. Gtd. Capital		147.5	...	147.5
Pens. Gtd. Accum.		171.4	...	171.4
Pens. Mngd. Cap.		[illegible]	...	151.8
Pens. Mngd. Acc.		166.1	...	166.1
Pens. Money Cap.		54.4	...	54.4
Pens. Money Acc.		61.7	...	61.7
Pens. Equity Cap.		52.6	-0.4	53.6
Pens. Equity Acc.		59.6	-0.5	58.6
Pens. GiltShortCap		49.6	...	51.5
Pens. Gilt Short Acc.		56.3	...	56.3
Pens. Gilt Med. Cap.		51.6	+0.1	53.6
Pens. Gilt Med. Acc.		58.6	+0.2	58.6
Pens. Gilt Long Cap.		50.7	-0.2	52.6

Langham Life Assur. Co. Ltd.
Langham Hse., Holmbrook Dr., NW4. 01-203 5211

Harvest Pen. Fund	101.4	106.7	...	—
Langham 'A' Plan	68.0	71.6	...	—
♥Prop. Bond	169.4	178.3	...	—
Wisp (SP) Man Fd	78.9	83.1	...	—

Legal & General (Unit Assur.) Ltd.
Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU. Burgh Heath 53456

Cash Initial	104.4	109.9	...	—
Do. Accum.	113.7	119.7	+0.1	—
Equity Initial	160.9	169.4	-1.7	—
Do. Accum.	175.3	184.6	-1.7	—
Fixed Initial	149.7	157.6	-0.1	—
Do. Accum.	163.0	171.6	-0.1	—
Intl. Initial	120.3	126.7	-0.3	—
Do. Accum.	129.9	136.7	-0.3	—
Managed Initial	149.6	157.5	-0.7	—
Do. Accum.	162.8	171.4	-0.8	—
Property Initial	110.2	116.1	+1.5	—
Do. Accum.	120.0	126.4	+1.6	—
Legal & General (Unit Pensions) Ltd.				
Exempt Cash Init.	117.0	123.2	...	—
Do. Accum.	126.8	133.5	...	—
Exempt Eqty. Init.	196.4	206.8	...	—
Do. Accum.	213.0	224.3	...	—
Exempt Fixed Init.	168.3	177.2	...	—
Do. Accum.	182.5	192.2	...	—
Exempt Mngd. Init.	188.3	198.3	...	—
Do. Accum.	204.2	215.0	...	—
Exempt Prop. Init.	121.0	127.4	...	—
Do. Accum.	131.2	138.2	...	—

Legal & General Prop. Fd. Mgrs. Ltd.
11, Queen Victoria St., EC4N 4TP. 01-248 9678

L&G June 2	109.1	112.9	...	—

Next sub. day July 1.

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

LACOP Units	10.26	10.77	...	—

Lloyds Life Assurance
20, Clifton St., EC2A 4HX 01-247 7699

Multy Gwth July 6		1.64709	...	—
Op. 8 'A' Prop July 10	186.1	195.9	...	—
Op 8'A' EQTY Jy 10	168.1	177.0	...	—
Op. 8'A' HY Jy 10	172.9	182.1	...	—
Op. 8'A' Man. July 10	186.6	196.5	...	—

Provincial Life Assurance Co. Ltd.
222 Bishopsgate, EC2. 01-247 6533

Prov. Managed Fd.	140.6	148.0	...	—
Prov. Cash Fd.	122.7	129.2	...	—
Gilt Fund	135.2	142.4	+0.2	—
Property Fund	126.2	132.9	...	—
Equity Fund	130.0	136.9	-0.8	—
Fxd. Int. Fund	113.2	119.2	...	—

Prudential Pensions Limited♦
Holborn Bars, EC1N 2NH. 01-405 9222

Equity Fd. June 18	32.31	33.31	...	—
Fxd Int. June 18	23.01	23.31	...	—
Prop. Fd. June 18	39.12	40.33	...	—

Reliance Mutual
Tunbridge Wells, Kent. 0892 22271

Rel. Prop. Bds.	298.0	—	...	—

Rothschild Asset Management
St. Swithins Lane, London EC4. 01-626 4356

N.C. Prop.	156.2	166.3	...	—

Net sub. period June 30/July 15.

Royal Insurance Group
New Hall Place, Liverpool. 051-227 4422

Royal Shield Fd.	189.0	199.9	...	—

Save & Prosper Group♥
4, Gt. St. Helen's, Lndn., EC3P 3EP. 01-554 8899

Bal. Inv. Fd.	155.5	164.6	+0.2	—
Property Fd.*	198.1	209.7	...	—
Gilt Fd.	141.0	149.3	-0.3	—
Deposit Fd.†	144.7	153.2	...	—
Comp. Pens. Fd.†	276.0	292.1	...	—
Equity Pens. Fd.	255.8	270.7	-1.9	—
Prop. Pens. Fd.*	339.8	359.6	...	—
Gilt Pens. Fd.	118.9	125.9	-0.3	—
Depos. Pens. Fd.†	126.5	133.9	...	—

*Prices on July 1.
†Weekly Dealings.

Schroder Life Group♥
Enterprise House, Portsmouth. 0705 27733

Equity	282.8	297.7	-0.5	—
Fixed Int.	163.2	171.9	-0.2	—
Managed	165.9	174.7	-0.2	—

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	[illegible]	145.70	...	1.53

Next dealing July 25.

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	US$11.04	—	...	—

Net asset value July 8

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Dollar Inc. Fd.	US$10.07	10.09xd	...	9.75
AHR Gilt Edg. Fd.	£12.32	12.38	...	13.23

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv.: ACMI, 319 High Holborn WC1. 404 0377
Daily dis.: July 10 0.000223 (8.5% pa).

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

East & Intl. Tst.(CI)	123.0	129.0	...	2.91
Dealing last Thurs. of S. Ex. account.				
Gov't Secs. Tst.(CI)	87.0	91.2xd	...	14.00
Daily Dealings.				
Sterling Fd.	112.8	112.9	...	—
Dealing on Wed.				

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	US$113.41	113.99	...	8.12

Prices at June 26. Next sub. day July 2.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

RentaFund	US$59.57	61.40	+0.25	9.03

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or −	Int.	Red.
90½	82¼	Aust. 5½pc '81-82	90	+¼	6.21	13.11
82¼	72½	Do. 6pc 1981-83	82¼	......	7.34	12.81
64¾	58	N.Z. 7¼pc 1988-92	64¾	......	11.22	13.20
79	72	Do. 7½pc '83-86	79	+¼	9.55	12.75
96¼	88	Sth. Africa 9½pc '79-81	95¾	+¼	10.11	14.59
160	107	Sth. Rhod. 2½pc '65-70	153#	......	—	—
169	133	Do. 6pc '78-81	167#	......	—	—

LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		Public Board and Ind.				
62	56½	Agric. Mt. 5pc '59-89	62	......	8.08	12.65
80	73½	Alcan 10½pc '89-94	80	+½	14.35	15.25
29	25	Met. Wtr. 3pc 'B'	29	......	10.75	12.75
103	89	U.S.M.C. 9pc 1982	100	......	9.00	—
92	85½	Do. without Warrants	90½	......	10.07	13.40
		Financial				
98¾	96½	FFI 13pc 1981	98¾	......	13.15	15.19
101	93½	Do. 14pc '83	101	+¼	8.86	13.61
87½	79½	FFI(UK Fn)5½pcDb. '80-2	87½	......	6.41	13.14
81½	71½	Do. 6¼pcDb. '81-84	80½	−1	7.78	12.68
90	80½	Do. 10½pc Uns.Ln. '86	90xd	......	11.66	13.10
90½	77	Do. 11pc Uns.Ln. '88	90xd	......	12.22	12.85
91½	82	Do. 11¾pc Uns.Ln. '90	90½xd	......	12.98	13.55
97½	84½	Do. 12½pc Un. Ln. 1992	97¼	......	13.41	13.67
63	56	Do. 7¼pcADeb. '89-92	62½	......	11.60	13.55
62½	51½	Do. 7¼pcA Db. '91-94	62	......	12.18	13.80
73	64½	Do. 9pc 'A' '91-94	72½	......	12.92	13.95
71½	61	Do. 8⅞pcLn. '92-97	71½	......	13.13	13.75

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

1980 High	Low	Stock	Price	+ or −	Div. Gross	Cvr	Y'ld Gr's
21	15⅝	TRW Inc. $1¼	16⅞	+⅛	$2.20	—	5.8
19¼	14⅞	Tenneco $5	17	......	$2.40	—	6.3
154	125	Do 10% Ln. Stk. 91-95	136	......	10%	—	17.4
11⅝	736p	Tesoro Pt. US$0.16⅔	873p	−53	30c	—	1.5
18	12¼	Texaco $6.25	15⅝	−⅝	$2.40	—	7.0
23⅓	17⅛	Time Inc. $1	20⅝	......	$1.66	—	3.6
854p	665p	Transamerica $1	699p	−11	$1.12	—	7.3
19⅜	18	Union Carbide $1	18⅛	......	$3.0	—	7.4
23¼	17⅛	Utd. Tech. $US5	18⅝	......	$2.20	—	5.4
945p	726p	U.S. Steel $1	868p	−6	$1.60	—	8.3
11½	967p	Woolworths $3½	11	−⅛	$1.80	—	7.4
29⅞	21⅞	Xerox Corp. $1	23¼	−⅛	$2.60	—	5.3
16⅝	11¼	Zapata Corp. 25c	15¼	−⅜	48c	—	1.4
		CANADIANS					
10⅞	865p	Bk. Montreal $2	10⅜	−¼	$1.52	—	5.5
11⅞	870p	Bk. Nova Scot. $1	11⅛xd	−⅛	$1.40	—	4.8
800p	685p	Bell Canada $8⅓	730p	−20	$1.64	—	8.5
846p	433p	Bow Valley‖	788p	−35	10c	—	0.5
12¼	820p	Brascan‖	10⅛	−¼	♦$1.20	—	4.5
10⅞	860p	Can. Imp.Bk. $2	940pxd	−10	$1.80	—	7.2
18⅞	13⅛	Can.Pacific $5	15¼	+⅛	$1.80	—	4.4
34	27⅞	Do. 4pc Deb. £100	32	......	4%	—	12.5
947p	656p	Can. P. Ent.‖	880pxd	......	h$1.00	—	4.3
14¼	8	Gulf Oil Can.‖	11⅞	−¾	44c	—	1.4
740p	570p	Hawker Sid. Can.‖	680p	−20	96c	—	5.3
22⅞	12¼	Hollinger $5	21½	......	s$2.20	—	3.8
11⅞	850p	Hudson's Bay ‖	890pxd	......	♦$2.20	—	5.1
14¼	925p	Hud.B.Oil G. $2½	13⅝	−⅛	k57½	—	1.6
21⅞	13⅓	Imperial Oil‖	16⅝	−½	$1.40	—	3.2
14	855p	Incoll	898p	−65	72c	—	3.1
565p	425p	Inl. Nat. Gas $1	515p	−10	$1.00	—	7.3
495p	270p	Massey Ferg.‖	275p	−5	—	—	—
200p	106p	Place Gas $1	123p	......	—	—	—
14⅞	10⅝	Rio Algom	12⅞	......	$1.50	—	4.7
19½	14⅞	Royal Bk.Can. $2	18⅝	−⅛	$2.56	—	5.2
25½	15⅞	Seagram Co. C$1	23¼	......	$US1.10	—	2.1
11½	890p	Tor. Dom. Bk. $1	11⅛	......	$1.36	—	4.6
10½	615p	Trans Can. Pipe	580p	−55	$1.16	—	5.0

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MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	22	......	—	—	—
24	12	ACM 20c	21	+2	—	—	—
105	52½	Bond Corp.	94	−9	h02.6c	2.2	1.5
156	88	Bougainville I Kina.	128	−4	h026.2	1.0	11.3
265	195	BH South 50c	200	......	♦	—	—
25	11½	Canada Northwest	20	−½	—	—	—
42	8	Carr Boyd 20c	31	−1	—	—	—
£36¾	£15¼	Central Pacific	£33	+½	—	—	—
356	230	Conzinc Riotinto 50c.	264	−4	Q15c	2.1	2.9
41	17	Cultus Pacific N.L.	35	−2	—	—	—
52	20	Eagle Corp. 10c	40	+2	—	—	—
27½	15¼	Endeavour 20c	23	......	—	—	—
464	175	G. M. Kalgoorlie 25c	430	......	†Q3c	—	0.4
46	15	Great Eastern	21	−3	—	—	—
457	260	Hampton Areas 5p.	435	+5	4.5	ϕ	1.5
196	30	Haoma Gold N.L.	196	+6	—	—	—
50	15	Intl. Mining	40	−2	—	—	—
720	80	Leichardt Expln.	190	−20	—	—	—
72	41	Metals Ex. 50c	54	......	—	—	—
312	187	M.I.M. Hldgs. 50c	230	−8	†Q6.1c	1.8	3.6
21	7	Minefields Expl. 25c.	18	−3	—	—	—
155	60	Mount Lyell 25c	86	−2	—	—	—
28	15	Newmetal 20c	20	+2	—	—	—
40	12	Nickelore N.L.	40	+5	—	—	—
207	137	North B. Hill 50c.	172	−1	†Q12c	1.4	3.6
101	44½	Nth. Kalgurli	86	−3	—	—	—
165	90	Nth. Mining Corp.	130	−5	—	—	—
166	24	N. West Mining N.L.	166	+32	—	—	—
235	144	Oakbridge $A1	205	......	Q12c	4.7	3.0
153	70	Otter N. L.	125	......	—	—	—
230	128	Pacific Copper	194	−2	—	—	—
465	255	Pancont'l 25c	340	......	—	—	—
78	42	Paringa M&Ex 5p	60	−3	—	—	—
495	335	Peko-Wallsend 50c.	410	−20	†Q17.5c	ϕ	2.2
230	140	Seltrust A	178	−2	—	—	—
£14¼	575	Southern Pacific	£12	......	—	—	—
98	31	Swan Resources 20c.	92	−2	—	—	—
34	8	West Coast 25c	34	......	—	—	—
274	177	Westn. Mining 50c.	262	−5	†Q7c	1.6	1.4
30	10	Westmex	17	......	—	—	—
108	56	Whim Creek 20c.	95	......	—	—	—
32	10½	York Resources	26	−2	—	—	—

Tins

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	14	Amal Nigeria 1p	14	......	‡6.0	—	—
345	255	Ayer Hitam SM1	295	......	†Q290c	0.9	‡
67	42	Beralt Tin	58xd	......	4.5	3.2	11.1
225	149½	Berjuntai SM1	210	+5	‡Q95c	1.0	‡
230	150	Geevor	150	−5	8.4	1.9	8.0
11	10	Gold & Base 12½p	10½	......	—	—	—
460	310	Gopeng Cons.	460	......	†25.0	1.8	7.8
330	280	Hongkong	320xd	......	‡35.87	ϕ	‡
105	90	Idris 10p	94	......	14.0	1.2	21.3
15	12½	Jantar 12½p	13	......	1.5	ϕ	16.5
92	64	Kamunting SM0.50.	90	......	Q47½c	1.1	11.8
250	150	Killinghall SM1	250	......	h050c	ϕ	4.1
820	425	Malay Dredging SM1	785	+20	‡uQ185c	2.6	2.7
34	26	Pahang	34	+2	0.44	0.3	1.9
108	90	Pengkalen 10p	90	......	6.0	1.3	9.5
305	232	Petaling SM1	305	......	†Q150c	1.4	10.3
70	57	Saint Piran	65#	......	‡2.5	6.4	‡
44	22	South Crofty 10p	25	+1	1.0	ϕ	5.7
350	180	South Kinta SM0.50.	330	+15	♦Q150c	1.0	9.7
530	340	Sthn Malayan SM1	530	+25	♦†Q175c	2.1	6.8
305	215	Sungei Besi SM1	295	......	†Q520c	1.0	36.0
39	22½	Supreme Corp. SM1	38	......	h08c	—	4.3
103	90	Tanjong 15p	100	......	5.75	6.0	8.2
95	73	Tongkah H. Tin	80	......	Q45c	1.3	12.6
330	220	Tronoh SM1	290	......	Q250c	0.7	17.5

Copper

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
235	130	Messina R0.50	215	......	mQ10c	ϕ	2.7

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
180	70½	Anglo-Dominion	140	−5	—	—	—
97	52	Barymin	57	......	—	—	—
17	12	Burma Mines 10p	14½	......	0.62	1.1	6.2
502	308	Cons. Murch. 10c.	330xd	......	MQ100c	1.8	17.3
180	108	††Hemerdon 10c.	108	......	—	—	—
585	325	Northgate C$1	400	−15	—	—	—
485	327	R.T.Z.	460	−2	15.0	3.2	4.7
33	16	Robert Mines	28	......	—	—	—
58	26	Sabina Inds. C$1.	30	......	—	—	—
51	43	††SWCM 10p	43	−2	—	—	—
650	411	Tara Exptn. $1	443	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✻ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	32	+1			
Bertam	16	......	Conv. 9% '80/82	£91⅞	......
Bdg'wtr. Est. 50p	430	+25	Nat. 9¾% 84/89	£80¹⁄₁₆	+¼
Clover Croft	60	......	Fin. 13% 97/02	£95	+1⅛
Craig & Rose £1	£10½	......	Alliance Gas	48	......
Fife Forge	32½	......	Arnott	375	+30
Finlay Pkg. 5p	18	......	Carroll (P.J.)	60	+2
Graig Ship. £1	£15½	−1	Clondalkin	117	......
Higsons Brew.	77	......	Concrete Prods.	70	......
Holt (Jos) 25p	250	......	Heiton (Hldgs.)	32	......
I.O.M. Stm. £1	192	......	Ins. Corp.	246	......
Pearce (C. H.)	455	......	Irish Ropes	45	......
Peel Mills	40	......	Jacob	32	......
Sheff. Refrshmt	102½	......	T.M.G.	87	......
Sindall (Wm.)	143	......	Unidare	80	......

OPTIONS
3-month Call Rates

Industrials					
		I.C.I.	27	Utd. Drapery	6½
A. Brew	7	"Imps"	6½	Vickers	12
BOC Intl.	6	I.C.L.	14	Woolworths	5½
B.S.R.	4½	Inveresk	4		
Babcock	8	Ladbroke	15	**Property**	
Barclays Bank	34	Legal & Gen.	15	Brit. Land	7
Beecham	10	Lex Service	8	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	24
Boots	16	"Lofs"	3½	MEPC	17
Bowaters	15	London Brick	6	Peachey	13
B.A.T.	20	Lucas Inds.	17	Samuel Props.	12
Brown (J.)	6	"Mams"	14	Town & City	2
Burton 'A'	10	Mrks. & Spncr	8		
Cadburys	5½	Midland Bank	26	**Oils**	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	32
Debenhams	8	Nat. West. Bank	27	Burmah Oil	20
Distillers	17	P & O Dfd.	10	Charterhall	18
Dunlop	7½	Plessey	14	KCA	11
Eagle Star	15	Racal Elect.	22	Premier	13
F.N.F.C.	2¼	R.H.M.	4½	Shell	35
Gen. Accident	21	Rank Org.	15	Tricentrol	40
Gen. Electric	30	Reed Intnl.	16	Ultramar	35
Glaxo	18	Spillers	5		
Grand Met.	12	Tesco	6	**Mines**	
G.U.S. 'A'	34	Thorn	23		
Guardian	25	Trust Houses	12	Charter Cons.	14
G.K.N.	20	Tube Invest.	23	Cons. Gold	40
Hawker Sidd.	15	Unilever	40	Lonrho	8
House of Fraser	15	U.D.T.	5½	Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

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FINANCIAL TIMES
Saturday July 12 1980

MAN OF THE WEEK

A liberal v. the dirigistes

BY TERRY DODSWORTH

WHEN M. Albin Chalandon, the chairman of Elf Aquitaine, totted up his accounts for last year, he could have been forgiven for thinking that he had earned the gratitude of his principal shareholder, the French State.

The nationalised oil company had managed to show profits increasing from FFr 1.4bn to FFr 3.9bn ($1.4bn), and had unlocked a cash flow of FFr 12bn from such timely investments as Frigg gasfield. But instead of plaudits, the only response M. Chalandon has had from the Government so far is a headmasterly lecture from Prime Minister Raymond Barre on how he should be spending his treasure trove.

It is against this background that Elf's FFr1.3bn cash bid for Rhone Poulenc's petrochemicals interests this week must be judged. The offer is a masterly response to the government critics who have been telling M. Chalandon that he has to invest his windfall revenues without, as M. Barre put it, "unnecessarily extending the public sector" in France.

M. Albin Chalandon of Elf Aquitaine

Instead of plaudits the only government response he has had is a headmasterly lecture.

The deal will unquestionably expand Elf's activities and influence in the country.

The row between M. Chalandon and his critics has thrown into relief one of the central problems of current French industrial policy—the question of how much freedom the nationalised sector should have to run itself.

Big State companies used to be regarded in France almost as adjuncts of the Civil Service, often run by functionaries with no experience of private industry. Under the present administration, however, there has been a move towards establishing limits to State interference in these companies through formal "contracts," plus tentative attempts to reduce State shareholdings in some sectors.

M. Chalandon, an independent minded, ex-Gaullist minister, belongs unquestionably to the liberalising school; but M. Andre Giraud, the head of the Industry Ministry, to which he reports, leans towards the *dirigiste* wing, especially on energy matters, where he believes that France needs a carefully controlled national policy.

The conflict between the two men became more important as cash flooded into Elf last year. In the summer, M. Chalandon came up with a proposal to spend a large proportion of these unexpected funds on buying a U.S. company, Kerr MacGee, with wide interests in uranium and coal—a diversification which would clearly have affected Elf both industrially and geographically.

The French Government quietly vetoed the idea.

Subsequently, both M. Giraud and M. Barre have warned Elf that it has a national duty to fulfil in spending the money which is pouring into its coffers. M. Chalandon's response is to ask for a definition of that duty.

So far this "clear definition" has not been forthcoming from the Government.

But with the amount of money the group is making, the question of further acquisitions is bound to come up sooner or later.

M. Chalandon may not be around to see these changes. There are persistent rumours that M. Giraud is aiming to move his own man into the company shortly. But M. Chalandon, known in his day as one of the most pro-Giscardian of the Gaullists, is not giving ground. He still has an ally in the Elysee Palace and until the presidential election, at least, that remains a powerful argument in his favour.

GISCARD ENDS HIS VISIT TO GERMANY

French nuclear role welcomed

BY ROGER BOYES IN BONN

CHANCELLOR Helmut Schmidt of West Germany yesterday strongly welcomed France's decision to modernise its independent nuclear force and stressed the importance of Franco-German political and defence co-operation in creating a powerful, united Europe.

The Chancellor was speaking at a joint Press conference with President Valery Giscard d'Estaing which rounded off the French leader's first State visit to Germany.

In formal consultations on Thursday and private talks in the week, the leaders discussed the Soviet invasion of Afghanistan, alliance politics and chances for future arms control negotiations.

The main thread running through these deliberations was that Europe should play a more powerful role in world politics—though not, it was repeatedly stressed, at the expense of the U.S.—and that the core of this would be even closer collaboration between France and West Germany.

In practice, this has meant considering ways in which joint weapons projects could be developed, and how France's nuclear deterrent might be used in a broader European framework.

Yesterday Herr Schmidt said: "I would like to emphasise my particular support for the President's remarks about Franco-German co-operation both as a way of strengthening European cohesion and awareness, and also as a more effective contribution to the maintenance of a military balance."

The French leader stressed however that France, as an independent nuclear power, was not directly affected by the latest Soviet offer of talks on limiting medium-range weapons in Europe.

He added: "France is, of course, concerned by the strategic balance in Europe and favours efforts to achieve a balance which should cover all types of forces, including conventional forces."

By welcoming France's moves to modernise its nuclear forces the Chancellor appeared once again tacitly to support President Giscard's decision to press ahead with development of the neutron bomb.

In parallel talks Herr Hans Apel, the German Defence Minister, and M. Yvon Bourges, his French counterpart, discussed joint weapons development. Both were determined to iron out problems surrounding the planned France-German battle-tank for the 1990s. This has assumed symbolic importance.

They also want a decision soon on developing a joint tactical combat aircraft for the 1990s. Britain was involved in the early planning of this aircraft, designated the TKF 90. It was assumed that German and British requirements were closer to each other than to those of the French air staff.

Food companies join Texaco in bid for North Sea licences

BY RAY DAFTER, ENERGY EDITOR

TWO OF Britain's biggest food companies, Unigate and Associated British Foods, plan to join the search for North Sea oil and gas.

They have formed an exploration consortium with the U.S.-based Texaco oil group to bid for concessions in the latest round of UK licences.

The trio will submit applications in the next month for blocks designated by the Energy Department.

They also plan to apply for a block or blocks of their own choosing. Each of these will cost £5m on top of normal drilling costs.

The seventh round of licences is attracting a number of non-oil companies. But this is believed to be the first time major food companies have declared their interest.

The link-up's attraction for Texaco is that its bidding consortium has a strong UK bias. Mr. David Howell, Energy Secretary, has said he hopes successful bidders will have a strong UK identity and that they will include newcomers to the North Sea.

Associated British Foods, the bakery, supermarkets and foods group, described the venture as "potentially very exciting."

Mr. Garry Weston, the chairman, told the annual meeting in London yesterday that the company might spend about £5m on initial exploration work in the next five years.

The group's family-controlled Holdings, would provide the parent company. George Weston initial capital on the basis that it would be repayable with interest only if oil were discovered in commercial quantities.

If the consortium finds oil, Texaco may negotiate to buy its partners' share of production.

Texaco, one of the four largest marketers of petrol in the UK, is upgrading its Pembroke refinery in South Wales. In the next few months it will bring on stream the Tartan Field, in which it has sole interest.

Texaco will have 60 per cent interest in the consortium, of which it would be operator. Associated British Foods, through a new company, A. B. Exploration, will have 25 per cent. The remaining 15 per cent will be held by Unigate Exploration.

Unigate has large-scale meat and dairy interests in the UK and overseas. Its diversified interests include specialised transport, engineering and retail garage operations.

Associated British Foods, Page 18
Shell report on oil market, Page 3

Squeeze on mortgages relaxes

By Andrew Taylor

THE SQUEEZE on building society lending has eased considerably since the beginning of 1980, and at the half year societies promised to lend mortgage applicants £74m more than at the same stage in 1979.

Figures published yesterday by the Building Societies Association showed that net new commitments in June advanced to £805m, taking the total promised to borrowers this year to £4.5bn.

However, inflation in house prices over the past 12 months means this level of lending will finance the purchase of 43,000 fewer homes than at the same stage a year ago.

Societies have been able to maintain lending commitments in cash terms despite a £223m fall in net receipts.

This has been achieved because societies have been able to take advantage of the high level of interest they are paying depositors—financed through higher mortgage repayments — and which investors have left in their accounts.

Money available from this source has been averaging around £257m a month and interest credited to investors accounts in June rose to £756m. This compares with society net receipts—deposits less withdrawals — of only £206m last month.

The level of monthly net receipts is expected to rise now that the "withdrawal season" to finance holidays is coming to a close

BNOC Irish drilling bid fails

BY OUR ENERGY EDITOR

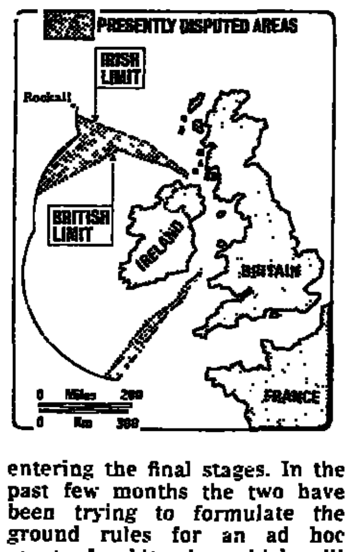
THE British National Oil Corporation has been prevented from exploring for oil and gas in Irish waters because of a boundary dispute between the British and Irish Governments.

The state oil corporation was planning to bid for an Irish exploration licence, along with industry partners, as part of its new expansion into overseas territories. At present all of BNOC's drilling interests are in the UK.

The Energy Department, which must sanction the corporation's overseas exploration ventures, has authorised two projects: one in Dubai and one on the Continent within the European Economic Community.

However, following pressure from the Foreign Office the Energy Department refused permission for the Irish bid. It is thought that BNOC was seeking a concession in an area that could be caught up in the long-running offshore boundary dispute between the UK and Ireland.

Negotiations over drilling territories began between the two countries in 1974 and are now entering the final stages. In the past few months the two have been trying to formulate the ground rules for an ad hoc court of arbitration which will have to draw median lines for the UK/Irish sectors of the Atlantic.



One of these lines will run from a point north of Ireland and west of the Isle of Mull to an area south of Rockall. The other boundary will be in the Western Approaches area—the region where it is thought BNOC wanted to drill.

As it is BNOC and British Petroleum already hold joint concessions about 100 miles west of the Scottish mainland, an area which is claimed by the Irish Government. So far no wells have been drilled there.

The British and Irish negotiators are due to have further talks about rules for the arbitration court in October. The British claim that the median lines should be calculated from its islands, including those that are uninhabited such as Rockall.

The Irish maintain that only inhabited islands, within three miles of the mainland, should be taken into the reckoning. This would mean, for instance, that Rockall and the Scilly Isles would not qualify as reference points.

Three years ago the UK and France settled a 13-year-old boundary dispute when an arbitration court fixed a median line in the English Channel and Western Approaches.

OPEC's premium-price sales, Page 3

Weather

UK TODAY

RATHER COOL, showers.

London, E. Anglia, Midlands, C., S. and S.E. England, Channel Is.

Sunny intervals and light showers. Cool. Max. 18C (64F).

S.W. England

Scattered showers, sunny intervals. Rain later. Max. 16C (61F).

Cent. N., N.E. and E. England, Borders, E. Scotland

Showers, bright intervals. Rather cool. Max. 16C (61F).

Wales, N.W. England, Lakes, Is. of Man, S.W. Scotland, N. Ireland

Showers, sunny intervals. Wind North-West. Max. 16C (61F).

Rest of Scotland

Cloudy, showers, bright intervals. Cool. Max. 15C (59F).

Orkney and Shetland

Rather cloudy, rain at times. Wind light. Max. 12C (54F).

OUTLOOK: Unsettled and cool.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	22	72	Locarno	F	24	75
Algiers	F	25	77	London	F	17	63
Amsdm	C	14	57	Luxmbg.	C	12	54
Athens	S	25	77	Luxor	S	40	104
Bahrain	S	37	99	Madrid	S	23	73
Barcina.	F	22	72	Majorca	F	23	73
Belfast	F	16	61	Malaga	S	25	77
Belgrd.	C	22	72	Malta	S	20	68
Berlin	F	20	68	Melbne.	C	8	46
Biarritz	C	17	63	M'chstr	C	14	57
Bmghm.	C	16	61	Milan	S	24	75
Blackpl.	R	13	55	Mntreal.	S	26	79
Bordx.	C	17	63	Moscow	R	17	63
Boulgn.	C	15	59	Munich	R	14	57
Bristol	R	15	59	Nairobi	C	20	68
Brussels	C	13	55	Naples	C	23	73
Budpst.	F	22	72	Nwcstl.	C	15	59
B. Aires	S	13	55	N. York	S	27	81
Cairo	S	32	89	Nice	F	22	72
Cardiff	R	15	59	Nicosia	S	32	90
Cas'b'ca	S	25	77	Oporto	S	23	73
Cape T.	C	24	75	Oslo	F	21	70
Chicago	S	38	89	Paris	C	17	63
Cologne	R	14	57	Perth	R	13	55
Cpnhgn.	S	21	70	Prague	C	15	59
Dublin	C	15	59	Reykjvk.	C	13	55
Ednbgh.	R	13	55	Rio J'o	S	25	77
Faro	S	27	81	Rome	S	24	75
Florence	F	24	75	Salzbrg.	C	18	64
Frankft.	R	14	57	Singapr.	C	31	88
Funchal	S	21	70	Stckhm.	F	15	59
Geneva	C	15	59	Strasbg.	R	15	59
Gibrltr	S	22	72	Sydney	S	11	52
Glasgow	C	15	59	Tangier	S	27	87
G'msey	F	15	59	Tel Aviv	S	28	82
Helsinki	S	19	66	Tenerife	F	20	68
H. Kong	S	27	80	Tokyo	R	24	75
Innsbrk.	C	19	66	Toronto	S	24	76
Invrnss.	C	14	57	Tunis	S	26	79
I.o.Man	F	15	59	Valencia	S	24	75
Istanbul	S	36	97	Venice	S	24	74
Jersey	C	16	61	Vienna	F	20	68
Jo'burg	S	15	59	Warsaw	F	19	66
L. Plms.	S	24	75	Zurich	C	15	59
Lisbon	S	28	82				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

S. African gold trio in merger plan

BY KENNETH MARSTON, MINING EDITOR

A MERGER has been proposed of the assets of three major South African gold mining companies with a combined market capitalisation of some £430m.

The move would allow the exploitation of the low-grade Erfdeel-Dankbaarheid gold mining area in the Orange Free State, make use of important tax advantages and strengthen the link betwen the Lonrho group and the Anglo American Corporation of South Africa.

In essence the new area, which is owned by Anglo and Lonrho, will be worked in conjunction with the neighbouring mines, Free State Saaiplaas, Western Holdings and Welkom. The last two have relatively short working lives at their existing mines.

The principal company will be Western Holdings, which can make use of investment depreciation allowances. This company will have a direct stake in the new low-grade mine, which has some 62m tonnes of low-grade gold and uranium ore.

Western Holdings will acquire for its own shares the assets of Welkom and Free State Saaiplaas, although Saaiplaas will work the new area as an extension of its existing operations.

Details, Page 18

Zimbabwe purchase by U.S. bank

BY OUR SALISBURY CORRESPONDENT

THE Bank of America was reported to be negotiating to buy the controlling interest in Rhobank, Zimbabwe's third largest bank, which has an estimated 17 per cent share of banking business in the country.

Rhobank's present parent is Nedbank, the wholly South African-owned banking group, which holds 62 per cent of its equity.

Mr. Gerry Muller, the deputy chairman of Nedbank, confirmed in Johannesburg yesterday that the bank had been negotiating the sale of its share in Rhobank with other banking groups.

"We are merely chatting to overseas parties with a view to diversification of the shareholding," he said, but added that no deal had been concluded. He said it could be several months before any announcement was made.

The Rhobank group, which includes merchant banking and non-bank financing wings, had assets of Z$219m (£147m) in 1978. Its share of the Zimbabwe market has grown from little more than 7 per cent in 1965 through the aggressive promotion of one-stop banking

With relations deteriorating between Zimbabwe and South Africa it would be a logical move for Rhobank to reduce or sever its South African ties and seek a broader international base. All its major competitors—Standard Chartered, Barclays International and Grindlays Banks—have ties with international banks.

Mr. Muller said that while Nedbank was "perfectly happy" with its investment in Rhobank, nonetheless "it may be more convenient to all concerned if there were other international banks involved."

Mr. Muller declined to elaborate further on the reasons for Nedbank's negotiations with prospective buyers. In Salisbury, a Rhobank spokesman refused to comment on the report, but on the Zimbabwe stock exchange, Rhobank shares were bid higher yesterday at 465 cents (£3.10).

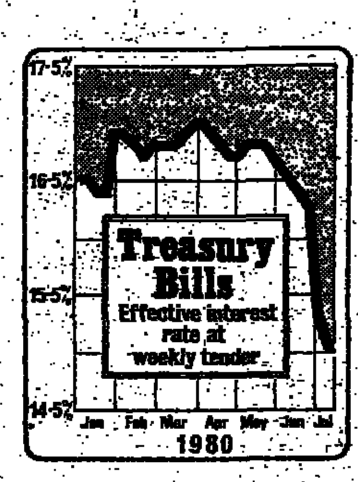
THE LEX COLUMN

EMI a long play for Thorn

Fear of foreign buying is not confined to the gilt-edged market. For a couple of weeks now the discount houses have been afraid that an American bank might show its muscle at the weekly Treasury bill tender, and have themselves been putting in high bids accordingly. Yesterday one American bank came along with a higher bid still, went off with most of the bills and forced the rate down sharply.

The Bank of England apparently showed its displeasure by leaving its bill dealing rates unchanged for the coming week. But this stern signal did not prevent strength after hours in the gilt-edged market, which was celebrating the absence of a long tap. And the equity buyers are still about—having been 6.7 points down at 10 o'clock, the FT 30-Share Index closed with a gain of 3.6 points.

Index rose 3.6 to 493.0



Thorn EMI

After being down 5 per cent at the halfway stage, Thorn EMI's pre-tax profits have jumped 16 per cent in the second six months to produce £125.5m in the full year, against £118.1m in the previous year by Thorn. The market responded by marking up the shares 10p yesterday to 314p. But, while the former EMI managed to chip in a modest £4.4m in the four months following the merger, compared with the £2.8m loss in the previous six months, the recession is chewing into margins right across the original Thorn business.

The strength of TV rental in the early part of the company's year has counter-balanced a further £4½m or so decline into loss in the TV manufacturing operation, and this drop will not be reversed until the new TX chassis goes fully into production in the autumn. Domestic appliances and lighting are both losing market share in mainland Europe due to the strength of sterling. High operational gearing has led to the company sacrificing margins in order to maintain volume in both these areas, and since March there has been a significant further deterioration.

By contrast, with the disposal and winding down of the medical scanner division catered for in the £30m extraordinary provisions, EMI's other operations are beginning to look a little healthier. Thames TV produced £1½m or so, while the gap in new products on the music side has been filled, allowing a strong performance from Capitol in the U.S. But in spite of EMI's improvement, profits for the whole group in the current year are unlikely to show much improvement.

Some tight cash management has helped to hold net debt to 30 per cent of capital employed (before deferred tax). But heavy demands on the rental side—as the old warhorse TVs of the original colour boom are replaced and new video recorders introduced—is reflected in a 50 per cent rise in capital expenditure to £205.6m. Without disposals, further rises in capital spending will go on pushing up debt for the next three years. With earnings per share down from 39p to below 34p, fully-taxed—producing a p/e of about 9—and the chairman's stated pessimism over the short-term trading outlook, Thorn EMI remains a stock for investors accustomed to scanning the far horizon.

Oil shares

One stock market sector has been conspicuously absent from the rally of the last six weeks—the oil shares, which in 1979 were the darlings of the fund managers. Secondary oils again topped the list of active stocks yesterday—on the way down this time—and BP was the poorest performer in the FT 30-Share Index in the five weeks from the beginning of June.

The main problem for the oil majors is the pressure on margins in their downstream operations as demand for oil and oil products weakens. BP has the additional problem of issuing new equity in its bid for Selection Trust—the cash alternative is now superficially more attractive, but a number of ST holders will presumably take up BP shares for capital gains tax reasons.

For the secondary oils, different considerations apply. Their share prices were bid up because of the pure exposure many of them offered to oil production at a time when the oil price was soaring and, in consequence, estimates of the value of their reserves were constantly being upgraded. The result is that the crude oil reserves in the ground of a company such as LASMO—taking a fairly optimistic view of the prospects for the block—are now valued by the market at more than twice BP's reserves per barrel. This could be justified by the argument that a marginal rise in the oil price would increase LASMO's stream of future earnings by proportionately more than BP's. But gearing works both ways, and now that the oil price is flat and even tending to fall, such valuations begin to seem extravagant, at least in the short term.

Another argument for the high prices being paid for North Sea secondary stocks has been that these companies would prove irresistible to major oil companies with inadequate reserves of crude. So far, however, apart from the bids for Viking Oil by Deminex and Sun Oil, there has been no real activity. The oil industry is perhaps taking the view that the stock market's valuation of these companies has been too high—a position quite distinct from that of manufacturing companies, which often find it cheaper to acquire industrial assets in the stock market than build up their own.

The shake-out in secondary oils, however, has not dampened the spirits of numerous North Sea adventurers. In the last six months, a handful of oil juniors have pulled in more than £43m in rights issue money intended mainly for Seventh Round applications.

New companies and consortia are appearing on the scene all the time. So it was no great surprise yesterday when those two well-known UK energy companies—Unigate and Associated British Foods—decided to join Texaco in applying for North Sea exploration space. Both these food groups have spare cash and the North Sea provides an enticing outlet.

Texaco already has a solid record of achievement as operator of the Tartan Field and is probably happy to have these new British friends putting up 40 per cent of costs. But even the Department of Energy may wonder about the relevance of milk and supermarkets in the quest for offshore energy, one way of whitening the barrel, perhaps.

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